



MEMBERS:


Councillors : T Khuluse (Speaker & Chairperson), NR Mthembu (Mayor), G Govender Deputy Mayor), DW Ndimande, RN Pakkies, GJ Van Whye, JM Banda, JLT Sibiya, CR Marsh, GN Mbonambi, T Ntuli, NG Mthethwa, SA Ngwane, IT Nxumalo, TV Ntuli, B Dlavane, C Ndlovu, DM Ngcobo, A Gopal, MS Singh, SPC Mdletshe, S Oudhram, NP Dube, VWM Mdluli, JS Phahla, TE Msweli, SMR Mfeka, NM Hlatshwayo, SL Magubane, R Singh, OL Nhaca, JA Vallan, WM Luthuli, SS Gumede, TN Khumalo, GZ Mngomezulu, ME Zungu, CN Xulu, MS Mhlongo, TK Gumede, AL Sahadew, EM Kolia, D Singh, MSCM Motala, S Anamalay, BB Singh, SD Mashiya, SP Luthuli, EB Majola, N Sewraj, L Makhathini, AM Baardman, M Hubner

Traditional Leaders: Inkosi MB Cele, HK Dube, V Mathonsi, AM Zulu, DZ Gumede.

NOTICE OF COUNCIL MEETING

26 MAY 2016

Notice is given that a **MEETING** of the **KWADUKUZA COUNCIL** will be held at the **COUNCIL CHAMBER, KWADUKUZA,** on **THURSDAY, 26 MAY 2016,** **COMMENCING AT 14H00.**


N J MDAKANE
MUNICIPAL MANAGER
DATE: 19/05/2016

AGENDA

1. Prayer
2. Notice convening the meeting
3. **Signing of Attendance Register:**
(Councillors and Officials please note that the Attendance Register must be signed, failing which Councillors will be marked absent from the meeting. Councillors please fill in the time of arrival as this is an audit requirement).

Rules & Procedures:

"12. (7) Attendance at Council/Committee Meetings and Attendance Register

*** When a Councillor is absent from 3 or more consecutive meetings of the Council or a Committee which that Councillor is required to attend, the Speaker shall commence proceedings for the removal of that Councillor from office as a Councillor"**

4. **Declarations of Pecuniary Interest/Other Forms of Interest**

a. **Councillors:**

Sub – items of 5(1)(a) and (b) of the Code of Conduct for Councillors reads as follows:

- (a) *disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that, that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and*
- (b) *withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant.*

b. **Staff Members:**

Staff members must -

- (a) *disclose to the municipal council, or to any committee where they are present in their official capacity, any direct or indirect personal or private business interest that, that staff member, or any spouse, partner or business associate of that staff member may have in any matter before the council or the committee; and*
- (b) *withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the staff member's direct or indirect interest in the matter is trivial or irrelevant.*

5. **Apologies**

6. **Councillors Leave of Absence**

- a. **Granted :**
- b. **Applications :**

7. **Official Announcements:**

- a. **Matters for information from Councillors and Officials**
- b. **Presentations / Deputations**

8. **Confirmation of Minutes:**

- a) Council Workshop: 24 March 2016
- b) Council Meeting: 24 March 2016
- c) Special Council Meeting: 31 March 2016
- d) Council Workshop: 19 April 2016
- e) Special Council Meeting: 26 April 2016

9. **Matters arising from the Minutes:**

- a) Council Workshop: 24 March 2016
- b) Council Meeting: 24 March 2016
- c) Special Council Meeting: 31 March 2016
- d) Council Workshop: 19 April 2016
- e) Special Council Meeting: 26 April 2016

10. **Clean Administration (The Municipal Manager and each Executive Director with agenda items to confirm the credibility and correctness of information)**

11. **First Report of the Executive Committee: Meeting held on 16 March 2016**
(Kindly refer to Minutes in your possession)

The Executive Committee reports that at its meeting held on 16 March 2016 the following decisions were taken as reflected in the minutes of that meeting:

C 156 – C 289

12. Second Report of the Executive Committee: Meeting held on 20 April 2016
(Kindly refer to Minutes in your possession)

The Executive Committee reports that at its meeting held on 20 April 2016 the following decisions were taken as reflected in the minutes of that meeting:

C 321 – C 474

13. Third Report of the Executive Committee: Meeting held on 04 May 2016
(Kindly refer to Minutes in your possession)

The Executive Committee reports that at its meeting held on 04 May 2016 the following decisions were taken as reflected in the minutes of that meeting:

C 519 – C 534

14. Forth Report of the Executive Committee: Special Meeting held on 11 May 2016
(Kindly refer to Minutes in your possession)

The Executive Committee reports that at its special meeting held on 11 May 2016 the following decisions were taken as reflected in the minutes of that meeting:

C 535 – C 538

15. Outstanding Matters

16. Items for consideration by Council:

ITEM NO.	SUBJECT	FILE REF	PAGE NO.
C 650	RELOCATION OF HOUSES DURING THE CONSTRUCTION OF CIVIL PROJECTS		1 – 3
C 651	APPOINTMENT OF MEMBERS TO THE AUDIT COMMITTEE AND PERFORMANCE AUDIT COMMITTEE		4 – 38
C 652	CUSTOMER SATISFACTION SURVEY QUESTIONNAIRE		39 – 41
C 653	RATES POLICY 2016/17		42 – 77

C 654	RE: PROPOSED WRITE OFF OF INDIGENT DEBTS, SUNDRY DEBTS AND IRRECOVERABLE HANDED OVER DEBTS		78 – 91
C 655	DATA COLLECTION TOOL FOR ONCE OFF GRATUITY PAYMENT-BY 16 MAY 2016		92 – 95
C 656	THE IMPLEMENTATION REPORT OF 2015/2016 QUARTER THREE KDM COUNCIL RESOLUTIONS IMPLEMENTATION REGISTER		96 – 279
C 657	APPROVAL OF PROPOSED AMENDMENTS TO CREDIT CONTROL AND DEBT COLLECTION BYLAWS		280 – 300
C 658	REPORT OF THE AUDIT AND PERFORMANCE COMMITTEES TO THE COUNCIL OF KWADUKUZA MUNICIPALITY FOR THE THIRD QUARTER OF THE 2015/16 FINANCIAL YEAR		301 – 310
C 659	APPROVAL OF PROPOSED AMENDMENTS TO RATES BYLAWS		311 – 320
C 660	ADOPTION OF KDM DISASTER MANAGEMENT PLAN		321 – 340
C 663	ROCKY PARK RESIDENTIAL DEVELOPMENT: SERVICE LEVEL AGREEMENT		341 – 367
C 664	APPLICATION FOR A WORSHIP SITE-LOT 4156 GLENHILLS TOWNSHIP		368 – 371
C 665	THE KDM EEDBS REPORT		372 – 375
C 684	APPROVAL OF 2016-2017 BUDGET RELATED POLICIES		376 – 652
C 685	APPROVAL BY KWADUKUZA COUNCIL FOR KZN DEPARTMENT OF HUMAN SETTLEMENTS TO TRANSFER THE POWER OF ATTORNEY (PA540/1997) OF ERF REM 10 000 GROUTVILLE TO KWADUKUZA MUNICIPALITY FOR THE DEVELOPMENT OF A SHOPPING CENTRE and MIXED USE DEVELOPMENT AS ADOPTED BY KWADUKUZA EXCO ON THE 27TH OF JULY 2010		653 – 680
C 686	APPROVAL OF KWADUKUZA ETHICS POLICY		681 – 694

C 687	APPROVAL OF KWADUKUZA ANTI-FRAUD AND CORRUPTION POLICY		695 – 709
C 688	STANDARD OPERATING PROCEDURES FOR SELECTING, CONTRACTING, AND MONITORING OF CONSULTANTS		710 – 725
C 689	THE BALLITO PRO 2016 - PROGRESS REPORT		726 – 740
C 690	IMPLEMENTATION OF COMMUNITY WORKS PROGRAMME IN KWADUKUZA MUNICIPALITY - PROGRESS REPORT		741 – 746
C 691	CHIEF ALBERT LUTHULI COMMEMORATIVE WALK 2016		747 – 752
C 699	SETTLEMENT OFFER: W A M CLEWLOW ACCOUNT NUMBER 7006064		753 – 757
C 700	REVIEWED IDP FOR 2016/2017 FINANCIAL YEAR		758 – 1083
C 701	APPROVAL OF THE FINAL BUDGET- 2016/2017 MTREF		1084 – 1474

17. Closure

KWADUKUZA MUNICIPALITY

P = PRESENT
AP = APOLOGY
CE = COUNCIL BUSINESS

	7	1	0
L	= LEAVE		
AB	= ABSENT WITHOUT LEAVE / APOLOGY		

KWADUKUZA MUNICIPALITY

NOT ALL
P = PRESENT
L = LEAVE
AB = ABSENT W

LEAVE
= ABSENT WITHOUT LEAVE / APOLOGY

KWADUKUZA MUNICIPALITY

TOTAL	11	11	11	11	11	11	11
ATTENDANCE	5	3	6	5	5	9	7
NON-ATT	6	8	5	6	6	2	4

P= PRESENT L= LEAVE AP = APOLOGY AB= ABSENT WITHOUT LEAVE / APOLOGY CB = COUNCIL BUSINESS

KWADUKUZA MUNICIPALITY

DATE	41	42	43	44	45	46	47	48	49	50
	C Xulu	A Gopaul	D Singh	N Sewraj	BB Sing	Mashiya	Magubane	S Anamalay	ME Zungu	EM Kolia
SP: 22/01/2016	P	P	P	CB	AP	L	P	L	P	P
28/01/2016	L	P	P	P	P	AB	P	P	P	P
SP: 04/02/2016	L	L	P	P	P	L	P	P	P	P
SP: 16/02/2016	L	CB	P	L	AB	L	P	AB	P	P
26/02/2016	L	P	P	P	L	AB	P	P	P	P
W/Shop 24/03/2016	P	L	P	P	L	AB	P	L	P	P
24/03/2016	P	L	P	P	L	AB	P	L	P	P
SP: 31/03/2016	P	P	L	P	AB	AB	P	P	P	P
W/Shop 19/04/2016	P	P	P	P	L	AB	P	L	L	L
W/Shop 26/04/2016	P	P	P	L	L	AB	P	L	P	P
SP: 26/04/2016	P	P	P	L	L	AB	P	L	P	P
TOTAL	11	11	11	11	11	11	11	11	11	11
ATTENDANCE	7	7	10	7	2	0	11	4	10	10
NON-ATT	4	4	1	4	9	11	0	7	1	1

P = PRESENT

AP = APOLOGY

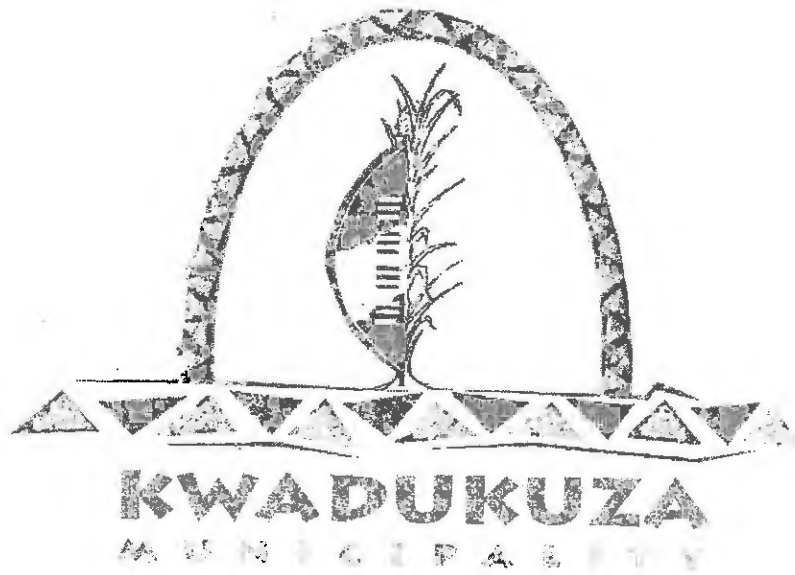
CB = COUNCIL BUSINESS

L = LEAVE

AB = ABSENT WITHOUT LEAVE / APOLOGY

KWADUKUZA MUNICIPALITY

CB = COUNCIL BUSINESS

ANNEXURE A**KWADUKUZA MUNICIPALITY****RATES POLICY**

1. DEFINITIONS

“Act” means the Local Government: Municipal Property Rates Act (No. 6 of 2004) and the regulations as promulgated in terms of the said Act.

“Agent” In relation to the owner of a property, means a person appointed by the owner of the property.

- a) to receive rental or other payments in respect of the property on behalf of the owner; or
- b) to make payments in respect of the property on behalf of the owner;

“Agricultural property” means property that is used primarily for agricultural purposes but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;’

“Amendment Act” means the Local Government: Municipal Property Rates Amendment Act No. 29 of 2014

“Annually” Means once every financial year.

“Appeal board” Means a valuation appeal board established in terms of Section 56 of the Act.

“Apartments and Villas” Means a dwelling house, cabana, cottage, chalet, bungalow, flat studio, apartment, villa, where the owner/agent does not reside and facilities and equipment are provided for guests to cater for themselves as temporary holiday accommodation. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate. The booking is usually done through an agent and check in procedures would not normally be completed on site

“Assistant municipal valuer” means a person designated as an assistant municipal valuer in terms of section 35(1) or (2) of the Act

“Backpacker/Hostelling Establishment” Means an accommodation facility that offers a range of alternative sleeping arrangements i.e. dormitories, en-suite bedrooms, bungalows, etc as well as communal facilities. Selected meals may be provided, however, adequate facilities must also be provided to cater for the advertised number of guests. Only establishments that cater for transient guests qualify. Check-in procedures are usually completed on site, and the owner/manager may reside on the site.

“Bed & Breakfast” Means an establishment, which is primarily a dwelling and makes excess rooms available to transient guests. The bathrooms may or may not be en suite. This establishment may be managed by the owner and/or designated person. Breakfast may be available for all guests. Public areas are usually shared by guests and owners/hosts alike.

“Category” means (a) in relation to property, a category of properties determined in terms of Section 8 of the Act and (b) in relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act.

“Data-collector” A person designated as a data- collector in terms of section 36 of the Act

“Date of valuation” The date determined by a municipality in terms of Section 31(1) of the Act.

“Day” means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday

“District Municipality” A municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in Section 155 (1) of the Constitution as a category C Municipality.

“Effective date”

- a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act; or
- b) In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2)(b) of the Act.

“Exclusion” In relation to a municipality’s rating power, means a restriction of that power as provided for in Section 17 of the Act.

“Exemption” In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.

“Financial year” Means the period starting from 1 July in a year to 30 June the next year.

“Guesthouse (maximum 12 rooms in S.R. zone)” Means an establishment that is purposely built/ altered for the sole use of providing transient guests with accommodation. This establishment shall be occupied by and may be managed by the owner or manager/host/hostess. The public areas are for the exclusive use of the guests. This facility will offer breakfast and depending on location, dinner and other facilities may be offered.

“Income Tax Act” The Income Tax Act, 1962 (Act No. 58 of 1962)

“Indigent” means an owner or person who is in permanent occupation of the property and qualifies for indigent relief in terms of the Municipality’s indigent policy;

“Land reform beneficiary” In relation to a property, means a person who:-

- a) acquired the property through-
 - i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
 - ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);

- b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect.

"Land Tenure right" means a land tenure right as defined in section 1 of Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991)

"Local community" In relation to a municipality-

- a) means that body of persons comprising-
- i) the residents of the Municipality;
 - ii) the ratepayers of the Municipality;
 - iii) any civic organisation and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and
 - iv) visitors and other people residing outside the Municipality who, because of their presence in the Municipality, make use of services or facilities provided by the Municipality; and
- b) includes, more specifically, the poor and other disadvantaged sections of such body of persons.

"Local Municipality" A municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in Section 155(1) of the Constitution as a category B municipality.

"Market Value" In relation to a property, means the value of the property determined in accordance with Section 46 of the Act.

“MEC for local government” The member of the Executive Council of a province who is responsible for local government in that province.

“Minister” The cabinet member responsible for local government

“Multiple purposes” In relation to a property, means the use of a property for more than one purpose subject to Section 9 of the Act

“Municipal Council or Council” means the council of the KwaDukuza Municipality as constituted to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) **“Municipal Finance Management Act”** The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

The Municipality” means the KwaDukuza Municipality (a) established in terms of section 155(6) of the Constitution, 1996, and established by and under section 11 and 12 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), read with sections 3, 4 and 5 of the KwaZulu-Natal Determination of Types of Municipality Act, 2000 (Act No. 7 of 2000) and b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1988 (Act No. 27 of 1988)

“Municipal Manager” A person appointed in terms of Section 82 of the Municipal Structures Act;

“Municipal Structures Act” The Local Government: Municipal Structures Act, 1988 (Act No. 117 of 1998).

“Municipal Systems Act” The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).

“Municipal Valuer or Valuer of a Municipality” A person designated as a municipal valuer in terms of Section 33(1) of the Act.

"Newly rateable property" Any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding

- a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified.

"Occupier" In relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

"Office bearer", in relation to places of public worship, means the primary person who officiates at services at that place of worship

"Official residence", in relation to places of public worship, means –

- (a) a portion of the property used for residential purposes: or
- (b) one residential property, if the residential property is not located on the same property as the place of public worship,

registered in the name of the religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.

"Organ of State" An organ of state as defined in Section 239 of the Constitution.

"Owner"

- a) In relation to a property referred to in paragraph (a) of the definition of property, means a person in whose name ownership of the property is registered;
- b) In relation to a right referred to in paragraph (b) of the definition of property, means a person in whose name the right is registered;

- c) In relation to a land tenure right referred to in paragraph (c) of the definition of property , means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- d) Definition of property, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled",

Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

- i) A trustee, in the case of a property in a trust excluding state trust land;
- ii) An executor or administrator, in the case of a property in a deceased estate;
- iii) A trustee or liquidator, in the case of a property in the estate of a person under judicial management;
- iv) A curator, in the case of a property in the estate of a person under curatorship;
- v) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is registered in the name of the Municipality and is leased by it; or
- vi) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

"Pensioner" A South African citizen, who receives regular payment from the state or former employer after retirement, or the surviving spouse who receives a regular payment from the former employer of the late spouse, or a natural person, who is a South African citizen, over the age of 60 years.

"Parent property" A parent property is described as such in a service level agreement, and that has been approved for township development in terms of

the Development Facilitation Act 67 of 1995, the Natal Ordinance No 27 of 1949, or the KwaZulu-Natal Planning and Development Act 6 of 2008.

“Permitted use” In relation to a property, means the limited purposes for which the property may be used in terms of

a) any restrictions imposed by-

- i) a condition of title;
- ii) a provision of a town planning or land use scheme; or
- iii) any legislation applicable to any specific property or properties; or

b) any alleviation of any such restrictions;

“Person” Includes an organ of state.

“Primary Developer” A primary developer of a parent property is the legal entity, or successor in title in the event of a sale of a property’s development rights, that entered into a service level agreement with the Municipality. The description of the parent property must be stated in the service level agreement.

“Primary Property” Means the property on which the owner resides

“Property”

- a) immovable property registered in the name of a person, including, in the case of a sectional title unit registered in the name of a person/legal entity;
- b) a right registered against immovable property in the name of a person/legal entity, excluding a mortgage bond registered against the property;
- c) a land tenure right registered in the name of a person/legal entity or granted to a person/legal entity in terms of legislation; or
- d) public service infrastructure;

“Property Register” A register of properties referred to in Section 23 of the Act.

“Property Development” A major development primarily for residential properties, but also including such other categories as may be authorised, arising from a DFA or Land PTB approval or directly in terms of the Municipality’s Town Planning Scheme, and in which all the internal infrastructure and community facilities are provided by the Primary Developer.

“Protected area” An area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.

“Protected Areas Act” The National Environmental Management: Protected Areas Act, 2003

“Publicly controlled” Owned by or otherwise under the control of an organ of state, including

- a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);
- b) A municipality; or
- c) A municipal entity as defined in the Municipal Systems Act

“Public Benefit Organisation” Means an organisation as described in Section 30 of the Income Tax Act

“Public Service Infrastructure” Publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;

(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;

(e) railway lines forming part of a national railway system;

(f) communication towers, masts, exchanges or lines forming part of a communication system serving the public;

(g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air

navigation purposes;

(h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

of 1999);

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) rights of way, easements or servitudes in connection with infrastructure mentioned

in paragraphs (a) to (i)

"Rate" A municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

"Rateable property" Property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act.

"Register"

a) means to record in a register in terms of –

- i. the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
- ii. the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and

b) Includes any other formal act in terms of any other legislation to record-

- iii. a right to use land for or in connection with mining purposes; or
- iv. a land tenure right;

“Residential property” A property included in a valuation roll in terms of Section 48 (2) (b) of the Act as residential.

“Sectional Titles Act” The Sectional Titles Act, 1986 (Act No. 95 of 1986)

“Sectional title unit” A unit defined in Section 1 of the Sectional Titles Act

“Specified public benefit activity” An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.

“SPLUMA” Spatial Planning and Land Use Management No 16 of 2013

“State Trust Land” Land owned by the state-

- a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- b) over which land tenure rights were registered or granted; or
- c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)

“Vacant property” means –

- a) property on which no immovable improvements have been erected; or

- b) in the case of property on which immovable improvements are being constructed, where such property cannot be permanently occupied

2. INTRODUCTION

The Municipality has the power to levy a rate on property in its area of jurisdiction. Section 3 (1) of The Local Government Municipal Property Rates Act No. 6 of 2004 (herein referred to as the MPRA) and Section 62 (1) (f) of the Local Government Finance Management Act 56 of 2003 (herein referred to as the MFMA) requires the Municipality to develop and adopt a rate policy consistent with the said Act on levying of rates on rateable property.

Section 3 of the Act provides that the Rates Policy takes effect on the effective date of the valuation roll prepared by the Municipality in terms of this Act.

This document sets out the Policy of the Municipality and must be read with the MPRA. In applying this Policy, the Municipality will meet the requirements of the MPRA and the MFMA, including any regulations made under these Acts.

2.1 Annual review of the Rates Policy

The Municipal Council shall review this Policy annually and if necessary, amend it. The amended Policy must accompany the Municipality's annual budget when it is tabled before Council in terms of the Municipal Finance Management Act and the Municipality must follow the community participation process envisaged in the Municipal Systems Act.

2.2 Liability for Rates

Rates levied on a property must be paid by the owner of the property. Owners are jointly and severally liable for payment of rates on the property. Service of accounts or documents or process on any one owner is deemed to be service on all owners.

2.3 Amount due for Rates

The Municipality will by resolution as part of each annual operating budget process, determine a rate in the rand for every category of property.

3. THE PURPOSE OF THIS POLICY

The purpose of this policy is to:

- 3.1 comply with the provisions Section 3 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 3.2 determine the methodology and to prescribe procedures for the implementation of the Act;
- 3.3 determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.4 determine or provide criteria for the determination of categories of properties and categories of owners of properties for categories of properties;
- 3.5 determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.6 determine how the Municipality's powers must be exercised in relation to multipurpose properties;
- 3.7 determine measures to promote local economic and social development; and
- 3.8 identify which categories or properties the Municipality has elected not to rate as provided for in Section 7 of the Act.

4. DIFFERENT CATEGORIES OF PROPERTY

- 4.1 Section 8 of the Act provides for different categories of property that may be adopted by Municipalities for the purpose of levying different rates and/or exemptions and rebates. The categories of property are determined according to the actual use of the property and the property shall be rated on such actual use. A change in the use may result in a change in the category of the property. The Municipality has adopted the following categories:

- a) Residential properties.
- b) Industrial,
- c) Business and commercial properties including privately run institutions.
- d) Agricultural properties:
- e) Properties owned by an organ of state and used for public service purposes
- f) Public service infrastructure properties
- g) Properties owned by public benefit organisations and used for specified public benefit activities
- h) Vacant land.
- i) Multiple use properties.

5. CRITERIA FOR DIFFERENTIAL RATING FOR DIFFERENT CATEGORIES OF PROPERTIES

- 5.1 The criteria for weighting the categories listed in Section 4 of this Policy for the purpose of determining rate randanges for each category are as follows:
- a) The general economic and financial strength or weakness of owners of a category compared to other categories.
 - b) Vacant land will be rated higher (in terms of a Cent in the Rand) as the Municipality is encouraging owners to develop it and also to discourage speculation by owners.
 - c) Differential rating among the various property categories will be done by way of setting different rate randage for each property category rather than by way of reductions and rebates. This is much simpler for citizens to understand and thus promotes the principle of transparency.

6. CRITERIA FOR RATING MULTIPLE USE PROPERTY

The following criteria shall be applied by the Municipality:

- 6.1 By apportioning the market value of a property to the different purposes for which the property is used for.
- 6.2 Applying the relevant rate randage to the corresponding apportioned market value.
- 6.3 If the market value cannot be apportioned to its various uses, then such property will be valued according to the dominant (main or primary) use.

7. CRITERIA FOR EXEMPTION, REBATES AND REDUCTIONS

- 7.1 The criteria used for the purpose of rates exemption, rebates and reductions areas follows:

- a) Indigent status of the owner of a property.
- b) Sources of income of the owner of a property.
- c) Pensioner's ability to pay.
- d) Social or economic conditions of the area where the owners of property is located for example an area declared by the National or Provincial Government to be a disaster area within the meaning of Disaster Management Act, 2002 to the extent that the significantly negatively affected.
- e) Market value of residential property below a determined threshold.

8. GRANTING OF EXEMPTIONS, REBATES AND REDUCTIONS

The criteria developed for the granting of exemptions, rebates and reductions for the different categories will be considered after an application accompanied by the relevant documents (SARS status, pension or social grant proofs) including affidavit has been lodged with the Municipality. The necessary rebates shall be determined by Council. Prescribed application forms may be obtained from the Finance Offices.

8.1 Properties qualifying for Exemption

8.1.1. Protected areas and environmentally sensitive areas

- a) In terms of Section 17 (1)(e) of the MPRA, the Municipality may not levy a rate on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes. In addition, Section 17(2)(a) states that the exclusion from rates of a property referred to in Section 17(1)(e) lapses the declaration of that property as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such a reserve, park or botanical garden is withdrawn in terms of the applicable Act mentioned in that Section 17(1)(e).
- b) In addition to these areas, the Municipality will exempt from rates any environmentally sensitive area that is recognised as such by the Council. When such an area is located on part of a property that has other land use types, then rates will only be portioned to the other types if applicable. Applications in this regard must be made to the Council for recognition and approval of the environmentally sensitive areas.

8.1.2. Land reform beneficiaries

- a) Section 17(1)(g) of the Act states that a property belonging to a land reform beneficiary or his or her heirs, shall be excluded from rates, provided that this exclusion lapses ten years from the date on which

such beneficiary's title was registered in the office of the Registrar of Deeds. In terms of Section 21(1)(b) of the Act the rates on these properties must be phased in over a period of 3 years

8.1.3. Properties used for residential purposes

In addition to the statutory reduction of R15 000, a further reduction of R85 000 is approved for property values exceeding R130 000. Persons owning property with a rateable value of R130 000 and below will be not be liable for the payment of rates.

8.1.4. Places of Worship

- a) The Municipality may not levy a rate on properties registered in the name of and used primarily, or zoned as, as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

8.2. Properties qualifying for rebates and discounts

8.2.1. Newly Rateable Properties

- a) Any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding
 - i) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
 - ii) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified.
- b) The rates for all newly rateable properties will be phased in over a period of 3 years according to the following percentages:-
 - iii) 75% discount for the first year

iv) 50% discount for the second year

v) 25% discount for the third year

8.2.2. Public Service Infrastructure

a) The Municipality recognises that public service infrastructure e.g. infrastructure owned by Telkom, Eskom, South African National Roads Agency Limited (SANRAL) play a significant role in the growth and sustainability of the economy of Municipality.

b) Rates are not levied on the first 30% of the market value of public service infrastructure

a) In addition, certain properties are exempt from the payment of rates and the calculation of rates are being phased out as stipulated in the Amendment Act

8.2.3. Properties owned by an organ of state and used for public service purposes.

The following public service properties will be entitled to a separate rate tariff determined by Council from time to time:

i) Hospitals and clinics

ii) Schools, pre-schools, early childhood development centres or further education and training colleges

iii) National and provincial libraries and archives

iv) Police stations.

v) Correctional facilities

vi) Courts of law

but excludes property contemplated in the definition of "public service infrastructure"

8.2.4. Agricultural properties

- a) Properties that are rated as agricultural shall be entitled to a rebate as determined by Council from time to time.

8.2.5. Residential properties that are part of a township

- a) Rates on a property will become payable from the date on which the subdivision or consolidation of the property was registered in the Deeds Office. A parent property may be rated, in terms of the Municipal Property Rates Act, from the date its first subdivision is registered in the Deeds Office if the parent property is not already registered in the Deeds Office.

8.2.6. Residential properties that are part of a gated community

- a) In gated communities where property owners are all members of an association and that association is, by agreement of its members and the Municipality, responsible for the maintenance and replacement of all or part its services to the community, a rebate will be allowed by Council. This rebate will be determined according to the percentage of services provided by Council in accordance with the standards and costs of services supplied by Council in the particular financial year.

8.2.7. Commercial and Industrial Properties

The following rebates shall be granted to commercial and industrial properties, subject to criteria/conditions set out below:

100% REBATE	YEAR 1
90% REBATE	YEAR 2
80% REBATE	YEAR 3

70% REBATE	YEAR 4
60% REBATE	YEAR 5
No incentive	From YEAR 6

a) A Council Resolution approving such incentives must be adopted prior to establishment. The application for developer's/investor incentives shall be submitted as a separate application concurrently with the development planning application. The submission to Council when seeking approval shall stipulate the terms and conditions applicable in respect of this incentive scheme. Factors to be considered, but not limited to, are benefits that would accrue to the community and local economic development. The following are a few of the factors that will be considered when assessing the application for incentives:

- (i) Investment to the Priority Economic Sector as per KwaZulu-Natal Provincial Growth and Development Strategy and New Growth Path,
- (ii) Agreeing to sign the Service Level Agreement and to pay for all infrastructure related costs within the agreed period not exceeding the rebates years,
- (iii) The municipal accounts are in order or up to date,
- (iv) Job Creation – during the construction and operational phase.
- (v) Skills Development – during construction and operational phase.
- (vi) Use of local suppliers and SMMEs during the construction and operational phase,
- (vii) Enterprise Development programme,
- (viii) Adherence to the BBBEE Act and relevant guidelines,
- (ix) Corporate Social Investment plan to the local communities or communities identified by the municipality,

The above factors shall form part of the detailed motivation or proposal/application to Council for the developer's/investor incentives, which will be assessed on its own merits and approved by Council.

- b) A parent property shall be rated from date of approval in terms of the Development Facilitation Act 67 of 1995, the Natal Ordinance No 27 of 1949, the KwaZulu-Natal Planning and Development Act 6 of 2008 or SPLUMA. A subdivision registered off a parent property will be granted the rebate applicable from Year 1 from the date of registration of the subdivision in the Deeds Office.
- c) The incentive granted in Year 1 shall be calculated from date of approval or effective date to the end of that financial year.
- d) The rebate shall not be granted, or if granted be reversed, should the respective conditions of establishment not be met, or any section of the relevant Town Planning Scheme, Planning legislation, or National Building Regulations, be contravened.

8.2.8. Developers Incentives (Residential)

- a) **Developers incentives (residential) will no longer be granted from the 2016/17 financial year unless stipulated in an existing service level agreement, in which case the following shall apply:** Primary Developers who have signed a Service Level Agreement with Council will be entitled to the rebates listed below. The incentives will be reviewed annually.

100% REBATE	YEAR 1
100% REBATE	YEAR 2
90% REBATE	YEAR 3
80% REBATE	YEAR 4

70% REBATE	YEAR 5
60% REBATE	YEAR 6
50% REBATE	YEAR 7
No incentive	From YEAR 8

- b) A parent property shall be rated from date of approval in terms of the Development Facilitation Act 67 of 1995, the Natal Ordinance No 27 of 1949, or the KwaZulu-Natal Planning and Development Act 6 of 2008.
- c) The incentive granted in Year 1 shall be calculated from date of approval to the end of that financial year.
- d) The rebate shall not be granted, or if granted be reversed, should the respective conditions of establishment not be met, or any section of the relevant Town Planning Scheme, Planning legislation, or National Building Regulations, be contravened.

8.3 Owners Qualifying For Exemptions

8.3.1 Indigent persons

- a) Any indigent person who owns residential improved property below a valuation determined by Council will be exempted from paying rates.
- b) Any indigent person who owns vacant residential property below a valuation determined by Council will be exempted from paying rates.

8.3.2 Public Benefit Organisations

Any organisation that is registered as a Public Benefit Organisation, in terms of Section 30 of the Income Tax Act, will be granted a rebate as determined by Council on condition that the property is used for an activity listed in item 1 (welfare and humanitarian), item 2 (health care)

and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.

8.4 Owners Qualifying For Rebates

8.4.1 Pensioners

Pensioners may be granted a rebate on the primary property as determined by a resolution of Council at its annual budget meeting subject to the following:

- a) The applicant must meet the following criteria:
 - i) He/She must produce a bar coded identity document,
 - ii) He/She must be the owner of the primary property. This includes co-owners who are married to each other or property owned solely by either spouse,
 - iii) He/She must permanently reside on the primary property, provided that the primary property is not used as a bed and breakfast or guest house establishment,
 - iv) In the case of a usufruct, the usufruct must be registered over the whole property and the title deed must be produced.
 - v) In the case of multiple ownership, all owners must meet the qualifying criteria listed above.
 - vi) The pension must be the only source of income
 - vii) In the case of a trust, a copy of the deed of trust indicating the owners of the trust and copies of their identity documents must be submitted with the application form
 - viii) The property must be registered in the name of a natural person and not a company or close corporation.
- ix) The value of the rebate will be at the discretion of Council.

- b) Applicants for such rebates must submit sworn affidavits concerning their income status to the Municipality.
- c) The pensioners rebate will lapse:
 - i) On death of the applicant,
 - ii) On transfer of the respective property,
 - iii) When the applicant ceases to reside permanently on the property,
- d) Applications shall be implemented with effect from the next practical billing cycle following the date of application.
- e) Further, Council may determine different rebates for pensioners within certain age categories, eg. pensioners below 65 years, between 65 and 75 years, and those over 75 years.

8.4.2 Recipients of disability grants and persons who have been medically boarded

- a) Disability grantees or medically boarded persons may on annual application be granted a rebate as determined by a resolution of Council at its annual budget or with effect from the next practical billing cycle following the date of application subject to the following:
 - i) Disabilities grantees, the applicant must be in possession of a letter issued by the Department of Social Welfare, confirming receipt of a disability grant.
 - ii) Medically boarded persons : the applicant must produce a letter from the applicant's employer or the underwriter for the employer confirming medical boarding,
 - iii) The applicant must produce a bar coded identity document,
 - iv) The applicant must be the owner of the primary property provided that the primary property is not used as a bed and breakfast or guest

- house establishment. This includes co-owners who are married to each other or property owned solely by either spouse,
- v) The applicant must permanently reside on the primary property,
 - vi) In the case of a usufruct, the usufruct must be registered over the whole property and the title deed must be produced.
 - vii) In the case of multiple ownership, all owners must meet the qualifying criteria listed above.
 - viii) The grant/pension must be the only source of income.
 - ix) In the case of a trust, a copy of the deed of trust indicating the owners of the trust and copies of their identity documents must be submitted with the application form
 - x) The property must be registered in the name of a natural person and not a company or close corporation.
 - xi) The value of the rebate will be at the discretion of Council.
- b) The rebate will lapse :
- i) On death of the applicant,
 - ii) On transfer of the respective property,
 - iii) When the applicant ceases to reside permanently on the property,
 - iv) If a medically boarded person gains employment.
- c) Applications shall be implemented with effect from the next practical billing cycle following the date of application.

8.4.3 Child Headed Households

- a) Property shall be classified as child headed household if the minors in the household have been investigated by a social worker from the Department of Social Development and declared as such.
- b) Such child headed household may receive a rebate as determined by a resolution of Council at its annual budget from the date as determined by the Chief Financial Officer subject to the following:
 - i) The terminally ill parent, the child or the deceased estate of the parent as aforesaid must be the owner of the property.
- c) Application must be accompanied by:
 - i) Confirmation from the Department of Social Development that the above criteria have been met and the property is one that is a child headed household: If the parent is deceased,
 - ii) A copy of the letter of executorship or administration of the deceased estate,
 - iii) A copy of the liquidation and distribution account showing the transfer of the property to the minors,
 - iv) The death certificate of the parent,
 - v) If the parent is terminally ill, a copy of the District Surgeons Report confirming his/her status and
 - vi) Birth certificate/s of minors residing on the property.
- d) The minors must reside permanently on the property,
- e) The value of the applicant's property must not exceed a value as determined by a resolution of Council as its annual budget.
- f) Applications must be renewed annually by the Department of Social Welfare.

g) The rebate will lapse:

- i) When the minor reaches the age of majority,
- ii) On alienation of the property,
- iii) When the minors ceases to reside permanently on the property,
- iv) If the Department of Social Development no longer regards the household as being Child Headed,

8.5 Natural Disasters

Properties that have been damaged by a natural disaster, as defined in terms of the Disaster Management Act 57 of 2002, may be re-valued on application as at the date of such natural disaster in accordance with the Act.

8.6 Bed & Breakfast Accommodation

Bed & Breakfast establishments will receive either a rebate, or be rated at a concessionary tariff, as determined by Council at its annual budget. Confirmation of type of hospitality establishment shall be provided by Council's Town Planning Department. The following are the qualifying criteria:

- a) The owner of the property must permanently reside on the property. In the case of a company, close corporation or trust being the registered owner, at least one member / director thereof must reside permanently on the property, subject to any members of such companies, close corporations and trusts not being a member of another company, close corporation or trust that owns a bed and breakfast establishment.
- b) The bed & breakfast must be registered with a properly constituted organisation as may be approved by the Municipality from time to time.
- c) The bed & breakfast must only offer accommodation facilities and dining facilities to registered guests. Establishments that offer conference facilities, spa, hair salons etc will not qualify.

- d) The owner must provide details of the establishment in respect of total size of the developed property, total number of rooms and facilities available to guests. This will be required to be certified by a member of the Association.

8.6.1 Rebate/Rate tariff

- a) Bed & Breakfast establishment with less than or equal to 3 bedrooms shall be rated as residential
- b) Bed & Breakfast establishment with more than 3 bedrooms but less than or equal to 9 bedrooms may be rated as residential for commercial purposes and may receive a rebate, or a concessionary rate tariff may be applied, as resolved by Council in the annual budget.

8.7 Guest Houses

Owners of guest houses will receive either a rebate, or be rated at a concessionary tariff, as determined by Council at its annual budget. Confirmation of type of hospitality establishment shall be provided by Council's Town Planning Department. The following are the qualifying criteria:

- a) The guest house must be registered with a properly constituted organisation as may be approved by the Municipality from time to time.
- b) The guest house must only offer accommodation facilities and dining facilities to registered guests. Establishments that offer conference facilities, spa, hair salons etc will not qualify.
- c) The owner must provide details of the establishment in respect of total size of the developed property, total number of rooms and facilities available to guests. This will be required to be certified by a member of the Association.

8.7.1 Rebate/Rate tariff

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- a) Establishments with 1 to 6 bedrooms will be rated as residential used for commercial purposes and may receive a rebate, or a concessionary rate tariff may be applied, as resolved by Council in the annual budget. Those with 7 or more bedrooms will be rated as commercial properties and may receive a rebate, or a concessionary rate tariff may be applied, as resolved by Council in the annual budget.

8.8 Special Rating Areas

The Municipality may by resolution of Council determine an area within the Municipality as a special rating area and all parties must comply with the processes as set out in the Section 22 of the Act.

8.8.1 Details of the policy governing Special Rating Areas appear hereunder. On application, the Municipality may, by resolution of Council, establish a Special Rating Area (hereinafter called SRA),

8.8.2 Any rebate granted by Council shall not apply to the additional rate payable by the owner in a SRA,

8.8.3 An application for the establishment of an SRA must:

- a) Be in writing, in the prescribed form ;
- b) Be submitted by no later than 30 September preceding the start of the new municipal financial year for which the application is made,
- c) Describe and define the boundaries of the proposed SRA,
- d) Consist of not less than 51 % of commercial properties and 66% of residential properties under the defined SRA boundaries or the total value of the properties must exceed a value as determined by Council from time to time,
- e) Be accompanied by the applicant's budget, business and implementation plan on the management of the SRA,

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f) DEMONSTRATE THAT:

- i) at least 66% of owners in number and 51% of commercial property value and 66% of residential property value have voted in favour of establishment of the SRA,

OR

- ii) (ii) at least 51% of owners in number relating to properties categorized as business & commercial and 66% of owners in number relating to properties categorized as residential, provided that the residential owners are zero rated in respect of the additional rate,

- g) The Municipality may, at its discretion, review and change the establishment procedures from time to time,

8.8.4 The SRA must enter into an Agreement with the Municipality in terms of Section 67 of the MFMA. Funds will not be to the SRA Company unless a Section 67 Agreement is signed and received by the Municipality,

8.8.5 Once the SRA is established, the aforesaid Section 67 Agreement must be renewed annually by no later than 31 December together with the budget of the SRA,

8.8.6 Once the SRA has been established and the additional rate approved, the Municipality will levy additional rate and will pay to the SRA (in the form of a grant) the revenue generated, as they are collected,

8.8.7 New developments within the jurisdiction of the SRA, will be rated in accordance with the effective date of the Supplementary Valuation Roll,

8.8.8 The boundaries for existing SRA's may be amended, provided that:

- a) 51% of additional owners in number relating to properties categorized as business & commercial and 66% of owners in number relating to properties categorized as residential demonstrate their support, or

- b) 66% of additional owners in number demonstrate their support,
- c) A three quartermajority vote is obtained from the existing owners in favour of the amendment of the boundary, at the AGM or a Special General Meeting of the section 21 company, after at least 30 days' notice of the amendment proposals have been delivered to every property owner within the existing SRA,
- d) The new boundary may not exceed 100% of the existing boundary in size or number of properties,
- e) Council may limit the increase of the new boundary or the number of new properties to be incorporated.

8.8.9 An SRA shall be dissolved:

- a) If the Section 67 Agreement has not been renewed or honoured,
- b) By resolution of Council upon written application signed by the majority of owners within the SRA who are liable for the payment of the special rate,

8.8.10 Upon the winding up of the management body, the assets remaining after the satisfaction of all its liabilities shall be transferred to the Municipality.

9 IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

9.1 Section 3(3)(e) of the Act states that a municipality must identify and quantify in terms of cost to the Municipality and any benefit to the local community –

- i) Exemptions, rebates and reductions.
- ii) Exclusions.
- iii) Rates on properties that must be phased in terms of Section 21.

10 COUNCIL OWNED PROPERTIES

- 10.1 All Council owned property must be valued. All lessees and purchasers who are required to pay rates in terms of their respective agreements of lease/sale will be subject to payment of rates based on the usage of the property.

11 PAYMENT OF RATES

- 11.1 Payment and recovery of rates, as well as penalties and administration charges on arrear rates, shall be governed by the Municipality's Credit Control and Debt Collection Policy.

11.2 Method and Frequency

- a) The Municipality shall recover a rate on a monthly basis in eleven (11) near equal instalments together with any supplementary rates,
- b) The Municipality may recover a rate annually on application from owners.
- c) Such application must be made on or before 15 July of a financial year.
- d) The final due date for the payment of annual rates shall be the last municipal working day of September each year.
- e) The Municipality shall recover a rate annually for National and Provincial Government owned properties

- 11.3 The Municipality may publish a number of Supplementary Valuation Rolls during the year, in accordance with section 78 of the Act. The rates as adjusted by the supplementary valuation roll be levied accordingly,

- 11.4 The payment of rates shall not be affected by reason of objections and appeals or non-compliance with the rates policy.

12 EFFECTIVE DATE

This policy shall be effective from 01 July 2016 upon approval by Council.

13 POLICY ADOPTION

This policy has been considered and approved by the COUNCIL OF
KWADUKUZA MUNICIPALITY as follows:

Resolution No: C

Approval Date: xx May 2016

KWADUKUZA MUNICIPALITY**DEPARTMENT OF THE MUNICIPAL MANAGER**

**File Ref. :
C 684**

COUNCIL : 2016-05-26

SUBJECT: APPROVAL OF 2016-2017 BUDGET RELATED POLICIES

PURPOSE:

To present the various 2016/2017 Budget Related Policies to Council for noting and approval for implementation with effect from 01 July 2016.

DISCUSSION:

Attached as Annexure A, please find the following budget related policies.

- Indigent Policy
- Tariff Policy
- Cash Management, Banking and Investment Policy
- Borrowing Framework Policy and Guidelines
- Funding and Reserves Policy
- Assets Management Policy
- Long Term Financial Planning Policy
- Infrastructure, Investments & Capital Projects
- Virements Policy
- Credit Control and Debt Collection Policy
- Budget Policy

As part of the process of approving the annual Medium Term Revenue and Expenditure Framework, Council is required to review the above budget related policies and amend, if necessary, such policies to ensure adherence to legislation and best practice.

The above policies have been presented and deliberated during the

- Draft Budget Compilation,
- Council Workshops,
- Public Participation Process's and
- Budget Steering Committee's

A summary of amendments which have been considered as a result of the above processes, per policy is listed below for Council's deliberation:

Indigent Policy

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Add

9. KwaDukuza Municipality employees on indigent register

6.1

Existing clause

Customers who qualify for equitable share subsidy and who are in arrears, will be placed on the pre-paid metering system at council discretion.

PROPOSED AMENDMENTS

Customers who qualify for equitable share subsidy and who are in arrears, may be placed on the pre-paid metering system at council discretion.

6.2

Existing Clause

A notice will display upon the first purchase of power to visit council's Finance department to make suitable arrangements regarding the arrears.

PROPOSED AMENDMENTS

Where 6.1 is applicable, A notice will display upon the first purchase of power to visit council's Finance department to make suitable arrangements regarding the arrears.

7.5

Existing clause

If a registered indigent person of a household is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall:

PROPOSED AMENDMENTS

If a registered indigent person of a household is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent or failed to inform the municipality of any improvement in the financial status of the household leading to the gross income exceeding the indigent threshold as determined by Council, such person shall:

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NEW LY PROPOSED CLAUSE

9. KWADUKUZA MUNICIPALITY EMPLOYEES ON THE INDIGENT REGISTER

9.1 No KDM employee shall appear on the indigent register or benefit from the indigent programme unless,

- a) The employee's gross income is below the indigent threshold as determined by Council or
- b) The employee lives in one of the Council designated areas and is only receiving the refuse benefit.

Tariff Policy

There are no proposed changes to the above policy for the 2016/17 financial year.

Cash Management, Banking and Investment Policy

The following changes are proposed to the Cash Management, Banking and Investment Policy for the 2016/17 financial year:

Current	"Chief Financial Officer" 2003)
Proposed	Act"- The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)
Reason for Proposed	Typographical Error

Current	The Accounting Officer must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality / Executive Committee (EXCO) and the KZNPT a statement in the prescribed format in terms of section 71 of the MFMA
Proposed	7.6.4 – The Accounting Officer must, on a monthly basis, submit to the Finance Portfolio Committee and Provincial Treasury, a statement in the prescribed format in terms of Section 71 of the MFMA.
Reason for Proposed	As the portfolio committee responsible for Finance , these reports are tabled to Finance Portfolio Committee. Given the timing of the reports and the meetings this is not always within 10 days. (Submission to Portfolio/Exco within 10 days is not required in terms of legislation)

Current	11.4 – Any investment placed over twelve months shall also be advertised in the paper circulating in the area
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Proposed	Clause to be removed
Reason for Proposed	No legislative requirement

Borrowing Framework Policy and Guidelines

There are no proposed changes to the above policy for the 2016/17 financial year.

Funding and Reserves Policy

The following changes are proposed to the Funding and Reserves Policy for the 2016/17 financial year:

Current	Inclusion
Proposed	<p>11. Provisions and Liabilities</p> <p>The following should be included in the policy:</p> <p>(f) Bonus Provision:</p> <p>In terms of GRAP 25: Employee Benefits, a bonus paid by the municipality is a short term employee benefit. The municipality has to accrue for the service bonus as at each reporting date as required by paragraph 11 of GRAP 25. An annual provision is made from the operating budget to the bonus provision.</p>
Reason for Proposed	Recent interpretations of GRAP Accounting Standards, requires us to provide for Annual Bonuses Payable to Employees.

Assets Management Policy

The following changes are recommended to the Asset Management Policy for the 2016/17 financial year:

Amendment of Biological Assets reference from GRAP 101 to GRAP 27. (Various points within the document)

Removal of GAAP from the definition as this reference is no longer relevant. This has been replaced with GRAP

Long Term Financial Planning Policy

There are no proposed changes to the above policy for the 2016/17 financial year.

Infrastructure, Investments & Capital Projects

There are no proposed changes to the above policy for the 2016/17 financial year.

Virements Policy

The following changes are proposed to the Virement Policy for the 2016/17 financial year:

Current	Page 9 – reflects the clinic votes 061,062,063,064 and 067 from the Municipal Services Directorate.
Proposed	Removal
Reason for Proposed	This function is undertaken by Provincial Department

Current	4.1 In the case of an emergency requiring a virement in excess of R 200 000 or the 25% threshold set above , the Municipal Manager may grant authority.
Proposed	4.1 In the case of an emergency requiring a virement in excess of R 200 000 or the 25% threshold set above , the Executive Committee may grant authority.
Reason for Proposed	Greater budgetary control by Council

Current	Appendix C reflects a reference to 6b.
Proposed	The removal of 6b in point 2 of Appendix C and replaced with 7.2. (reference to budget virement limits)
Reason for Proposed	Typographical error

Current	Municipal Services reflected on Appendix A and B
Proposed	Split of this department to Community Safety and Community Services
Reason for Proposed	Council Resolution

Credit Control and Debt Collection Policy

Various amendments: please see attachment prior to policy.

Budget Policy

There are no proposed changes to the above policy for the 2016/17 financial year.

RECOMMENDATIONS:

1. THAT Council notes, and approves for implementation with effect from 01 July 2016, the following Budget Related Policies as contained in Annexure A attached hereto:

- Indigent Policy
- Tariff Policy
- Cash Management, Banking and Investment Policy
- Borrowing Framework Policy and Guidelines
- Funding and Reserves Policy
- Assets Management Policy
- Long Term Financial Planning Policy
- Infrastructure, Investments & Capital Projects
- Virements Policy
- Credit Control and Debt Collection Policy
- Budget Policy

Author : A Nunkumar (Director Budget and Compliance)

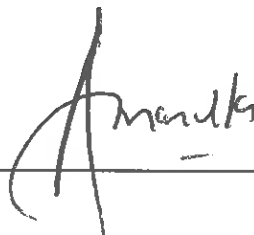
Contact Person : SM Rajcoomar (CFO)

Tel : 032 – 437 5505

APPROVED/COMMENTS

MUNICIPAL MANAGER

DATE: 2016-05-19



A Nunkumar



**2016/2017 FINAL
INDIGENT POLICY**

KWADUKUZA MUNICIPALITY INDIGENT POLICY

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KWADUKUZA MUNICIPALITY INDIGENT POLICY

1. DEFINITIONS

"Income"	it is the amount of money or its equivalent received during a period of time in exchange for labor and or services rendered, from the sale of goods or property, or as profit from financial investments or any earned or unearned income which is taxable in terms of SARS provision.
"Civil Pension"	Is regarded as income that is taxable in terms of SARS provision.
"Social Pension"	(Old Age grant): Is a monthly income provided by South African Social Security Agency to older people (age 60 and above).
"Child Support Grant"	It is the money paid to the primary care giver, who must be 16 years or older and be a South African citizen or permanent resident of a child to provide for the child's basic needs.
"Indigent households"	are households that are registered with the municipality as such and meet the criteria of the indigent policy and occupying/ owning a property within the jurisdiction of the municipality.
"Household"	means a traditional family unit consisting of a combination of persons.
"Child headed household"	means a household where both parents are deceased and where all occupants of a property are children of the deceased and are all under the legal age to contract for service therefore considered as minors in law by the state.
"Indigent"	means a person/ household who is lacking financial affordability to pay for necessities of life such as sufficient refuse removal, basic electricity, health care, housing, food and clothing.
"the Municipality"	for the purpose of this policy it means the KwaDukuza Local Municipality.

2. OBJECTIVE

- 2.1 In terms of Section 74 of the Local Government Municipal Systems Act no. 32 of 2000, a Municipal Council must adopt and implement a Tariff Policy. In terms of section 74(i) of the Act in adopting a Tariff Policy, the Council should at least take into consideration the extent of subsidization of tariffs for poor households. Arising from the above, Council needs to improve an Indigent Support Policy. This policy must provide procedures and guidelines for the subsidization of basic service and tariff charges to its indigent households.
- 2.2 The Council accepts that they are responsible for the rendering of service in terms of schedules 4 and 5 of the Constitution as well as other services which may be delegated by National and Provincial Government. The Council will Endeavour to render a basic level of service necessary to ensure an acceptable and reasonable quality of life and which takes into account health and environmental considerations. None of the residents should fall below the minimum level of services.

3. PURPOSE OF THE INDIGENT POLICY

- 3.1 The purpose of the indigent policy is to ensure:
- a) The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council;
 - and
 - b) To provide procedures and guidelines for the subsidization of basic service charges to its indigent households, using the Council's budgetary provisions received from Central Government, augmented from time to time by Council's own revenues, according to prescribed policy guidelines,
- 3.2 The Council also recognizes that many residents can simply not afford the cost of full provision and for this reason the Council will endeavor to ensure affordability through:
- a) Setting tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery; and
 - b) Determining appropriate service levels

4. CRITERIA FOR QUALIFICATION

In order to qualify for indigent support the following criteria must be met:

- 4.1. Households where verified total gross of monthly income of all occupants over 18 years of age shall not exceed the threshold as determined by Council from time to time.
- 4.2 Child headed households are automatically considered indigent unless proven otherwise.
- 4.3 Subsidized services may include burial and cremation fees and verge maintenance for indigent areas, refuse removal, and electricity.

- 4.4 Only households where the accountholder or property owner has applied for an indigent status, and whose application has been accepted shall qualify for the above relevant concessions.
- 4.5 For a household to qualify for subsidies or rebates on the major service charges, the following will apply:-
- a) The indigent must be a registered residential consumer of services rendered by council.
 - b) Household/ occupants/ residents/ dependents who do not own more than one property.
 - c) May be equipped with a pre-paid meter, the conversion shall be done free of charge or alternatively council shall adopt a special tariff for conventional meters.
 - d) Only property owners who live in the premises shall qualify for subsidies and/ or rebates.
- 4.6 Households must formally apply for relief on the prescribed documentation and satisfy the qualifying criteria/principles determined by the Council.
- 4.7 The status of an indigent is conferred for a period of not more than twelve months after which re-application must be made.
- 4.8 The onus is on the indigents to declare their indigent status annually also the onus is on the recipient to inform the Municipality of any change in his/her financial status or personal household circumstances

5. EXTENT OF INDIGENT SUPPORT

- 5.1 The subsidies on specified services will be determined as part of the annual budget and in terms of the municipality's policies and tariffs.
- 5.2 The funding of the indigent subsidy shall be sourced from the equitable share contribution as provided for in the budget. As such, the subsidy can only be credited to the qualifying customer's accounts until the budget allocation is exhausted. Whereupon no further credits will be granted until further national funds are received. Notwithstanding the above, if there is a budget surplus, the Council shall set aside funds from own revenue sources for the purposes of augmenting any shortfall in funding received from the National fiscus. Due to timing differences in receiving the National funding, the Council will bridge fund the payment of the indigent support until the Council receives its allocation from the National fiscus, but only to the extent that confirmed funding is granted.
- 5.3 In respect of electricity: a 100% subsidy based on the number of kWh per household per month as determined by Council will apply.
- 5.4 In respect of refuse: All registered indigent consumers will receive a 100% refuse rebate per month. The tariff applicable will be the tariff for indigent customers as per the tariff of charges as approved by Council annually.

- 5.5 If a customer's consumption or use of municipal services is less than the subsidized services, the unused portion may not be accrued by the customer and will not entitle the customer to cash or to a rebate in respect of the unused portion.
- 5.6 Rates and (or) service charges on the indigent's account will automatically be levied monthly.
- 5.7 Any indigent person who owns a low income government subsidized house, residential improved property shall be exempt from paying rates on a minimum valuation threshold as determined by Council.
- 5.8 Any indigent person who owns unimproved property valued at the amount as determined by Council from time to time will be exempted from paying rates and availability charges.
- 5.9 The subsidy for services, on the indigent's account, will automatically be credited, from the equitable share, monthly.
- 5.10 If a situation occurs where it is reported that consumers are minor children (Child headed families) due to unforeseen circumstances then additional support will be determined as per Council's decision from time to time.

6. ARREARS ON INDIGENT ACCOUNTS

- 6.1 Customers who qualify for equitable share subsidy and who are in arrears, may be placed on the pre-paid metering system at council discretion.
- 6.2 Where 6.1 is applicable, a notice will display upon the first purchase of power to visit council's Finance department to make suitable arrangements regarding the arrears.
- 6.3 The non-payment and arrangement as referred to in clause 6.2 above will be as determined in terms of councils credit control and debt collection policy.

7. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

- 7.1 When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigent relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.
- 7.2 The onus is on each registered indigent to advise the municipal manager, or his nominee, of such failure to comply.
- 7.3 The relief to indigents may be withdrawn at the discretion of the municipal manager, or his nominee, if:
- a) A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or

b) Any tampering with the installations of the municipality services is detected.

7.4 The indigent status of a customer will be reviewed from time to time at intervals as determined by Council. This could be done by either physical audit or external verification checks including amongst others, ITC Credit Bureau, Department of Labour or any other sources of verification. Should the requirements not be met, the subsidy for that consumer will be terminated with immediate effect.

7.5 If a registered indigent person of a household is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent or failed to inform the municipality of any improvement in the financial status of the household leading to the gross income exceeding the indigent threshold as determined by Council, such person shall:

- (a) immediately be removed from the register of indigents, and
- (b) Shall be liable to repay the municipality with immediate effect for all indigent relief received from the date of such fraudulent registration.
- (c) Such person shall not again be considered for indigent relief for a period extending for five years beyond the financial year in which the misdemeanor is detected.

7.6 Indigent relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

8. TERMINATION OF INDIGENT SUPPORT

8.1 Indigent support will be terminated under the following circumstances:

- a) Death of the account holder. In the event the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.
- b) End of the 12 month cycle.
- c) Upon change of ownership of the property in respect of which support is granted.
- d) When circumstances in the indigent household have improved in terms of gross income threshold as prescribed by Council.
- e) When the indigent accountholder disposes off the property, either by sale or by means of donation.

9. KWADUKUZA MUNICIPALITY EMPLOYEES ON THE INDIGENT REGISTER

9.1 No KDM employee shall appear on the indigent register or benefit from the indigent programme unless,

- a) The employee's gross income is below the indigent threshold as determined by Council or

- b) The employee lives in one of the Council designated areas and is only receiving the refuse benefit.

10. REPORTING REQUIREMENTS

10.1 The municipal manager or his nominee shall report on a quarterly basis to the council for the quarter concerned and by municipal ward:

- a) The number of households registered as indigents and a brief explanation of any movements in such numbers;
- b) The monetary value allocated per service category of the actual subsidies.
- c) The budgeted value *allocated per service category*

10.2 The Finance Directorate or the responsible official shall keep and monitor a complete register of registered indigent household;

- a) The number of registered child headed families
- b) Performance of all areas against targets as set out in the municipality's performance management system

11. POLICY REVIEW

This policy has been considered and reviewed by the Council of KwaDukuza Municipality and supersedes all other indigent policies that were previously adopted by Council.

Resolution No.....

Date of review.....

KWADUKUZA MUNICIPALITY



TARIFF POLICY

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1. Definitions

In this policy:

- “Municipal area”** means the area in respect of which the municipality has executive and legislative authority as determined by the constitution and the National legislation and the area as demarcated by the Demarcation Act (Act 27 1998);
- “Municipal council”** means a municipal council referred to in section 157 of the Constitution and for this by-law includes a municipal local council and a municipal district council, as the case maybe;
- “Poor households”** means those households in the municipal area that cannot afford to pay either the entire tariff charge for the municipal services, or part of it;
Also means those households in the municipal area living in property with a municipal property valuation under a certain amount as determined by Council and earn less than an amount as determined by Council per month.
- “tariff policy”** means a policy on the levying of fees, rates or taxes for the municipal services provided by the municipality itself and that complies with the Municipal Systems Act 2000 (Act 32 of 2000);
- “The Act”** means the Municipal Systems Act 2000, (Act 32 of 2000) (MSA).

2. INTRODUCTION

- 2.1 In terms of Section 62 (1) of the Municipal Finance Management Act (MFMA) the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and, in terms of S62 (1) (f), must for this purpose take all reasonable steps to ensure – “that the Municipality has and implements a tariff policy referred to in Section 74 of the Municipal Systems Act” (MSA).

In giving effect to S74 (1) of the Municipal Systems Act, the Municipality adopts the following as the framework Tariff Policy within which the Municipal Council must adopt various policies.

- 2.2 One of the primary functions of a local authority is to provide services to the people resident within its municipal area. The funding of these services is made possible by levying property taxes, charging for municipal services rendered.

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality. These are calculated dependent on the nature of service being provided. They may be set in a manner so as to recover the full cost of the service being provided or recover part of the costs or bring about a surplus that can be utilized to subsidise other non-economical services.

3. OBJECTIVE

- a) The objective of this Policy is to ensure that:
- i) The tariffs of the Municipality comply with the legislation prevailing at the time of implementation.
 - ii) The Municipal services are financially sustainable, affordable and equitable.
 - iii) The needs of the indigent, aged and disabled are taken into consideration.
 - iv) There is consistency in how the tariffs are applied throughout the Municipality and;
 - v) The Policy is drawn in line with the principles as outlined in the MSA (see 5 below)

4. PRINCIPLES

- 4.1 In terms of S74 (2) of the Municipal Systems Act of the following principles should at least be taken into account when formulating a Tariff Policy,

- a) The users of municipal services should be treated equitably in the application of Tariffs.
- b) As far as practically possible, consumers should pay in proportion to the

amount of services consumed.

- c) All households, with the exception of the poor (indigent), should pay the full costs of services consumed. Poor households must have access to at least a minimum level of basic services through:
 - i) Tariffs that cover the operating and maintenance costs,
 - ii) Special lifeline tariffs for low levels of use or consumption of services or for basic levels of service, or
 - iii) Any other direct or indirect method of subsidization of tariff for poor households.
- d) Tariff must include the cost reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement and interest charges.
- e) Tariffs must be set at a level to facilitate financial sustainability of the service, taking into account subsidization from sources other than the service concerned. Sustainability can only be achieved when: -
 - i) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts must be made.
 - ii) Access to the capital market is maintained. This can be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services.
- f) Provision may be made in appropriate circumstance for a surcharge on the tariff for a service.
- g) Provision may be made for the promotion of local economic development through a special tariff for categories of the commercial and industrial users.
- h) The economical, efficient and effective use of resources, the recycling of wastes and other appropriate environmental objectives must be encouraged.
- i) The extent of subsidization of the poor households and other categories of users should be fully disclosed. This will be achieved by publishing the true costs of the service and the level of subsidy as well as the source of the subsidy.

- j) In terms of S74 (3) of the MSA a tariff policy may differentiate between different categories of users, debtors, service providers, services and geographical areas as long as the differentiation does not amount to unfair discrimination. In order to give full effect to this section, Section 75 (1) of the MSA provides for the Municipal Council to adopt bylaws.

5. CATEGORIES OF CUSTOMERS

The tariff structure of KwaDukuza Municipality may make provision for the following categories of customer:

- i) domestic;
- ii) commercial;
- iii) industrial;
- iv) agricultural;
- v) rural;
- vi) municipal services;
- vii) special agreements

6. CLASSIFICATION AND PRICING STRATEGIES OF SERVICES

There are basically three categories of municipal services (i.e. trading, rate and general and housing services) which are discussed as follows: -

6.1 Trading Services

These services are defined as services whereby the consumption of the service is measurable and can be accurately apportioned to an individual consumer. These services are hence managed like businesses. The tariffs for these services are budgeted for in such a way that at least a breakeven situation for the municipality will be realized. Examples of these services include electricity. The Council's pricing strategy for these services is to recover the full cost of rendering the service to the communities. For this purpose full costs includes:-

- i) Direct operating costs e.g. Salaries, allowances including overtime, materials used, repairs and maintenance, general expenses and plant and vehicle hire.

- ii) Depreciation / capital charges based on usage, life of buildings, plant and equipment and infrastructure used.
- iii) Financing outlays which includes loan service costs.
- iv) Allocated costs that include costs allocated through support services.

6.2 Rates and General Services

This service is further classified into 3 categories i.e. economic, subsidized and community services.

6.2.1 Economic Service

These are services for which tariffs are fixed in such a way that the full cost of providing the service is recovered without incurring a surplus or deficit e.g. trade effluent includes commercial and industrial refuse removal. The consumption of an economic service can be measured or determined with reasonable accuracy and apportioned to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service. These costs can be determined as follows:

- i) Full cost of providing the services as explained in 7.1 above.
- ii) The rate per unit is based on projected usage.

6.2.2 Subsidized Services

These are services for which tariffs are fixed in such a way that at least a portion of the cost of providing the service can be recovered. The consumption of these services can be determined reasonably accurately and can be apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases not only would the consumer benefit from using the service, but also other persons. Therefore, user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service. These services include fire fighting, approval of building plans and the construction of buildings, leasing of municipal facilities, selling of burial sites and certain town planning functions.

6.2.3 Community Services

6.2.3.1 Community services are those services for which the Council is unable to accurately determine the consumption and hence apportion to individual consumers. These services are typically financed through property rates.

6.2.3.2 These services include the operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries and traffic regulation.

6.2.3.3 In addition to the above services domestic refuse removal is also a community service provided directly to all the residents and for which costs form part of a balanced budget. The Municipality also provides support services such as committee services, records and archives, financial management accounting and stores, occupational health and human resources management, which are financed through property rates.

6.3 Housing and Hostel Services

These are usually grouped into three categories, namely, letting schemes, selling schemes and hostels. All income and expenditure transactions in respect of such schemes fall into this category and the objective of the service is to be economic i.e. the operating income should cover the operating expenditure. In addition these functions are being carried out on an agency basis as these are not deemed as Local Government functions.

7. TARIFF TYPES

In determining the type of tariff applicable to the type of service the Council shall make use of the following four options or a combination of the same.

7.1 **Single tariff:** This tariff shall consist of a fixed cost per unit consumed. All costs will therefore be recovered through a unit charges at the level of breakeven consumption.

7.2 **Cost related two-to-four part tariff:** This tariff shall consist of two-to-four parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together e.g. management, capital and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed.

7.3 **Inclining block tariff:** This tariff is based on consumption levels being categorized into blocks, the tariff being determined and increased as consumption levels increase.

7.4 **Declining block tariff:** This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

8. UNIT OF MEASUREMENT

The following units of measurement will, where possible, be used to determine tariffs:

8.1 Electricity

- a) Maximum demand plus fixed costs plus kWh consumed.
- b) Fixed costs plus kWh consumed.
- c) kWh consumed. (kWh –Kilowatt hour)
- d) kVA. (kVA -Kilovolt-ampere)

8.2 Refuse removal

8.2.1 The categories of refuse removal users as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

8.2.2 Tariff adjustments shall be effective from 1 July each year.

8.2.3 A separate fixed monthly refuse removal charge shall apply to each of the following categories of users, based on the costs of the service concerned:

- a) Domestic and other users (once weekly removal)
- b) Business and other users (twice weekly removal)
- c) Business and other users (thrice weekly removal)
- d) Business and other (bulk consumers).

8.2.4 Registered indigents may receive such discount on this charge as the council deems affordable when approving each annual budget.

8.2.5 A fixed monthly charge shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.

- a) Plastic bags per week (volume).

9.5 Promoting Local and Economic Competitiveness and Development

The size of the property rates and service charges accounts presented to the local businesses, is a significant business overhead for any business enterprise in the Municipal area. The overhead of a business is one of the factors that influence the price of goods and services sold by it, and therefore its profitability and chances of survival. The Council will take care that the municipal accounts presented to local businesses are fair. To ensure fairness toward local business, the Council will, when it determines tariffs, take into account the desire:

- a) To promote local economic competitiveness and
- b) To promote local economic development and growth.

9.6 Ensuring Financial Sustainability of Service Delivery

The Constitution, Local Government Municipal Systems Act, 2000 require that the Municipality must ensure that the services that it provides must be sustainable. Financial sustainability of the Municipality will be achieved when it is financed in a manner that ensures that it exhibits, at least, a break-even position. The tariff for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include all the relevant cost elements, it also means that charges to be levied must be collected. The Council will therefore adopt and apply a Credit Control and Debt Collection policy to ensure that property rates and service charges are fully recovered.

9.7 Indigents

The indigent assistance scheme will apply to tariffs set by the Council. This is laid out in the Indigent Policy. With regards to customer service agreements, deposits and guarantees, accounts and billing, and all other items pertaining the credit control and debt collection, related to tariffs, reference must be made to the Credit Control and Debt Collection Policy.

10. TARIFF DETERMINATION PROCESS

- 10.1 Except in special circumstances, such as significant increases in the wholesale price of goods and services, the Council purchases during a year to provide services, the Council will review its tariffs during the preparation of the annual budget in accordance with the

policy stated above. Proposed tariffs will be presented to the community during Councils consultation process about the budget.

- 10.2 In terms of Section 75 (A) of the MSA amendment Act 51/2002, a municipality may operate such;
- a) That it can levy and recover fees, charges or tariffs in respect of any function or service of the Municipality,
 - b) That fees and charges levied are passed by the municipal Council with a supporting vote of a majority of its members.
- 10.3 The annual tariffs per service should be compared to the activity based costing results, to view the profitability per service and level of cross subsidization. The goal should be to, where possible, provide a cost-reflective service charge.
- 10.4 Immediately after the Council has determined or amended a tariff, the Municipal Manager must cause to be conspicuously displayed at a place installed for this purpose at all the offices of the Municipality as well as at such other places within the Municipal area as she / he may determine a notice. The notice must state:
- a) The general purpose of the resolution,
 - b) The date on which the determination or amendment comes into operation, which date may not be earlier than 30 days after the determination or amendment,
 - c) The date on which the notice is displayed,
 - d) That any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed, and
 - e) That any person who cannot write may come during office hours to a place where a staff member of the Municipality named in the notice, will assist that person to transcribe her / his objection.
 - f) If no objection is lodged within the period stated in the notice the determination or amendment will come into operation on the date determined by the Council.
 - g) Where an objection is lodged, the Municipality will consider every objection.
- 10.5 The Council may, after it has considered all objections, confirm, amend, or withdraw the determination or amendment or may determine another tariff, on the date on which the determination or amendment will come into operation.

- 10.6 After the Council has considered the objections it will again give notice of the determination, amendment or date as determined above and will also publish it as determined by the Council.

11. MINOR TARIFFS

- 11.1 All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the Council, be subsidized by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.
- 11.2 The following services shall be considered as subsidized services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:
- a) Burials and cemeteries
 - b) Rentals for the use of Municipal facilities
- 11.3 The following services shall be considered as community services, and no tariffs shall be levied for their use:
- a) Municipal swimming pool
 - b) Municipal museum and art gallery
 - c) disposal of garden refuse at the Municipal tip site
 - d) Municipal reference library
 - e) Municipal lending library (except for fines set out below)
 - f) Municipal botanical garden, and all other parks and open spaces.
- 11.4 The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:
- a) Maintenance of graves and garden of remembrance (cremations)

- b) Rentals for the use of Municipal halls and other premises
- c) Building plan fees
- d) Photostat copies and fees
- e) Clearance certificates.

11.5 The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- a) fines for lost or overdue library books
- b) advertising sign fees
- c) pound fees
- d) penalty and other charges imposed in terms of the approved policy on credit control and debt collection
- e) Penalty charges for the submission of dishonored, stale, post-dated or otherwise unacceptable cheques.

11.6 Market-related rentals shall be levied for the lease of Municipal properties.

11.7 In the case of rentals for the use of Municipal halls and premises, if the Municipal Manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the Municipal Manager may waive 50% of the applicable rental.

11.8 The Municipal Manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of Municipal halls, premises and sports fields and in so determining shall be guided by the likelihood of the Municipality's sustaining damages as a result of the use of the facilities concerned.

12. BY-LAWS

The principle contained in this Policy shall be reflected in the various service by-laws as promulgated and adjusted by Council from time to time.

13. CONCLUSION

The Policy will be placed on the website of the Municipality in terms of Section 75 (1) (b) of the MFMA, and the Municipality shall comply with the provisions of section 21 A of the MSA. This Policy will be reviewed annually by the Council.

14. POLICY REVIEW

This policy has been considered and reviewed by the Council of KwaDukuza Municipality and supersedes all other tariff policies that were previously adopted by Council.

Resolution No:.....

Date of reviewed:.....

LEGAL REQUIREMENTS

SECTION I: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 73: GENERAL DUTY

The municipality must give effect to the provisions of the Constitution, and in doing so give priority to the basic needs of the local community, promote the development of the local community, and ensure that all members of the local community have access to at least the minimum level of basic municipal services.

The services provided by the municipality must be: equitable and accessible; provided in a manner conducive to the prudent, economic, efficient and effective use of available resources, and the improvement of standards of quality over time; financially sustainable; environmentally sustainable; and regularly reviewed with a view to upgrading, extension and improvement.

SECTION 74: TARIFF POLICY

The council of a municipality must adopt and implement a tariff policy on the levying of fees for the services provided by the municipality itself or by way of service delivery agreements.

Such policy must comply with the provisions of the present Act and any other applicable legislation.

Such tariff policy must reflect at least the following principles:

- i. that users of municipal services must be treated equitably in the application of the municipality's tariffs;
- ii. that the amount individual users pay for services must generally be in proportion to the use of such services;
- iii. that poor households must have access to at least basic services through tariffs which cover only operating and maintenance costs, special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of services, or any other direct or indirect method of subsidization of tariffs for poor households;
- iv. that tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;

- v. that tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidization from sources other than the service concerned;
- vi. that provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
- vii. that provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- viii. that the economic, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
- ix. that the extent of subsidization of tariffs for poor households and other categories of users must be fully disclosed.

The tariff policy may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas.

If the policy entails such differentiation, the municipality must ensure that this does not amount to unfair discrimination.

SECTION 75: BY-LAWS TO GIVE EFFECT TO POLICY

The council of the municipality must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.

Such by-laws may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas, but in a manner which does not amount to unfair discrimination

KWADUKUZA MUNICIPALITY

“The Municipality”



Cash Management, Banking and Investment Policy

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ANNEXURE I

1. **DEFINITIONS**

In this Policy, unless the context indicates otherwise, a word or expression, to which a meaning has been assigned in the Municipal Finance Management Act (MFMA) No. 56 of 2003, has the same meaning.

“Accounting Officer” refers to the Municipal Manager of KwaDukuza Municipality

“Auditor-General” means the person appointed as Auditor-General in terms of section 193 of the Constitution, and includes a person as acting as Auditor-General, designated by the Auditor-General to exercise a power or perform a duty of the Auditor-General.

“Act”- The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)

Chief Financial Officer or his delegate means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the Municipality;

“Creditor” in relation to a municipality, means a person to whom money is owing by the municipality.

“Debt” means a monetary liability or obligation created by a financing agreement, bond or overdraft, or by the issuance of municipal debt instruments; or a contingent liability such as that created by guaranteeing a monetary liability.

“Debt Agreement” includes any loan agreement under which a municipality undertakes to repay a long-term debt over a period of time

“Financial year” means a year ending on 30 June.

“Investee” means an institution with which an investment is placed or its agent.

“Investment” in relation to funds of a municipality, means

- the placing on deposit of funds of a municipality with a financial institution,
- the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds.

“Lender” in relation to a municipality, means a person who provides debt finance to a municipality.

“Long-term debt” means debt repayable over a period exceeding one year.

“Long-term investments” means any cash or liquid securities owned by the Municipality which have a maturity date, and/or callable date reasonably expected to be exercised, that is greater than one year.

“Month” means one of the 12 months of a calendar year.

“Council” means the Municipal Council of KwaDukuza Municipality

“Municipal entity” has the meaning assigned to it in section 1 of the Municipal Systems Act.

“Municipality” means KwaDukuza Municipality.

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

“Primary bank account” means the main bank account referred to in section 8(1) of the MFMA.

“Provincial treasury” means KwaZulu-Natal Provincial Treasury (KZNPT)

“Short-term debt” means debt repayable over a period not exceeding one year.

“Short-term investments” Any cash or liquid securities owned by the municipality which is having a maturity date, and/or Callable date reasonably expected to be exercised, that is equal to or less than one year.

2. INTRODUCTION

- 2.1 This Policy is aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of this Policy is dependent on the accuracy of the Municipality's cash management programme, which must identify the amounts surplus to the Municipality's needs, as well as the time when and period for which such revenues are surplus.
- 2.2 Managing the cash resources of the Municipality is a key requirement to ensure the liquidity of the Municipality in order to meet its financial obligations. In order to achieve this objective the KwaDukuza Municipality has adopted this Policy.

3. STATUTORY FRAMEWORK

Section 13 (2) of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) requires that the Municipality must establish an appropriate and effective cash management and investment policy in accordance with a framework that may be prescribed by the Minister of Finance..

4. SCOPE OF POLICY

This Policy applies to all cash investments made by KwaDukuza Municipality, and the Municipality shall at all times manage its cash management and investments in compliance with this Policy and must not be inconsistent with the Municipal Finance Management Act and the Municipal Investment Regulations.

5. THE PURPOSE AND OBJECTIVES OF THE POLICY

The purpose of this Policy is to ensure that investment of surplus funds forms part of the financial system of the Municipality and to ensure that prudent investment procedures are consistently applied.

- i) To manage cash flows in an efficient and prudent manner
- ii) To maintain a level of liquidity sufficient to meet both planned and unforeseen cash requirements
- iii) To invest only in approved financial institutes
- iv) To minimize the risk of investments
- v) To maximize returns on investments without incurring undue risks
- vi) To ensure all relevant information is disclosed to Council
- vii) To ensure that all investment decisions are made by the appropriate delegated authority

- viii) To prohibit investment of funds for speculative purposes
- ix) To ensure transparency and compliance in all investment processes

6. **RESPONSIBILITIES OF THE ACCOUNTING OFFICER**

- 6.1 According to the Municipal Finance Management Act 2004, chapter 8, paragraph 60 and 61, the Accounting Officer of a municipality is the Accounting Officer of the Municipality for the purposes of this Act, and, as Accounting Officer, must –
- (a) Exercise the functions and powers assigned to an Accounting Officer in terms of this Act; and
 - (b) Provide guidance and advice on compliance with this Act to –
 - (i) The political structures, political office-bearers and officials of the Municipality; and
 - (ii) Any municipal entity under the sole or shared control of the Municipality.
- 6.2 The Accounting Officer of a municipality must in terms of Municipal Finance Management Act:
- (a) Exercise utmost care to ensure reasonable protection of the assets and records of the entity;
 - (b) Act with fidelity, honesty, integrity and in the best interest of the entity in managing the financial affairs of the entity;
 - (c) disclose to the entity's parent municipality and the entity's board of directors, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the parent municipality or the board of directors; and
 - (d) Seek, within the sphere of influence of that Accounting Officer, to prevent any prejudice to the financial interests of the parent municipality or the municipal entity.
- 6.3 The Accounting Officer may not –
- (a) Act in a way that is inconsistent with the responsibilities assigned to Accounting Officers of municipal entities in terms of this Act; or
 - (b) Use the position or privileges of, or confidential information obtained as Accounting Officer, for personal gain or to improperly benefit another person.
- 6.4 The Accounting Officer is therefore accountable for all transactions entered into by his designates. One of the main functions of Accounting Officer is that of adequate and effective cash management.

- 6.5 The Chief Financial Officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.
- 6.6 Sound cash management includes the following:
- a) Collecting revenue when it is due and banking it promptly;
 - b) Making payments, including transfers to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments;
 - c) Avoiding pre-payments for goods or services (i.e. payments in advance of the receipt of goods or services), unless required by the contractual arrangements with the supplier;
 - d) Accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;
 - e) Pursuing debtors with appropriate sensitivity and rigor to ensure that amounts receivable by the Municipality are collected and banked promptly;
 - f) Accurately forecasting the institution's cash flow requirements;
 - g) Timing the inflow and outflow of cash;
 - h) Recognizing the time value of money, i.e. economically, efficiently, and effectively managing cash; and
 - i) Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or obsolete assets in terms of the Asset Management Policy.
- 6.7 The overall responsibility of investments lies on the Accounting Officer. However the day to day handling of investments is the responsibility of the Chief Financial Officer or his designate.
- 6.8 In the instance that the investment amount requires that the Accounting Officer submit recommendations to the Council for decision on the best investment to be made, quotations are required from the various financial institutions. In the case of telephonic quotations, the following information is required:
- a) The name of the person who gave the quotation;
 - b) The relevant terms and rates; and
 - c) Other facts such as if interest is payable on a monthly basis or on maturation date

- d) The Council needs to pass a resolution in respect of the limits for the investment of its funds.
- 6.9 In the instance that the Chief Financial Officer authorizes the investment, two authorized signatories must authorize and affect the electronic funds transfer in respect of the investment amount.
- 6.10 Where payments to financial institutions in respect of investments are to be effected by cheques, the following procedures apply:
 - a) The Accountant must complete a cheque requisition form and submit it to the Chief Financial Officer together with the supporting quotations;
 - b) The Chief Financial Officer must either authorize the requisition or submit it to Council for authorization depending on the value of the investment;
 - c) When the Council or the Chief Financial Officer has authorized the requisition, the Chief Financial Officer or two authorized signatories are required to sign the cheque and submit it to the financial institution.

7. CASH MANAGEMENT PROCEDURES

7.1 Bank Arrangements

- 7.1.1 The Accounting Officer is responsible for the management of the bank account. All withdrawals from the primary or other municipal banks account must be authorised by the Accounting Officer.
- 7.1.2 Written and signed delegations clearly indicating power and/or duties delegated should be in place. This is in terms of section 79 of the MFMA.
- 7.1.3 The Accounting Officer is responsible for opening the primary bank account with authorized banking institutions.
- 7.1.4 The Chief Financial Officer must prepare the bank reconciliation within 7 days after the end of each month, investigate any irregularities and report them to the accounting officer. The bank statements are analyzed on a daily basis. The monthly bank reconciliation prepared must reflect agreeing balances between the balances as per bank statement to that arrived at by the Municipality in its cash book.

7.2 Revenue Collection

- 7.2.1 The Accounting Officer or delegated official must ensure that all revenue is properly accounted for.

7.2.2 The collection and control of arrear revenue and accounts must be managed in accordance with policies issued and implemented in terms of section 64(2) of the MFMA and section 95 of the Municipal Systems Act.

7.2.3 Adequate provision must be made for writing off irrecoverable revenue in terms of the Credit Control & Debt Collection Policy.

7.3 Debtor Collections

7.3.1 All monies due to the Municipality must be collected by the due dates and banked daily.

7.3.2 All monies collected must be deposited daily or on the next working day into the primary bank account of the Municipality.

7.3.3 A numbered official receipt reflecting the name of the Municipality must be issued for the receiving of all monies.

7.3.4 The debt collection process must be reviewed regularly to determine the efficiency and effectiveness thereof.

7.3.5 Any debt older than the period determined by the credit control policy must be handed over to the applicable section for recovery.

7.4 Payment to Creditors

7.4.1 All payments should be settled on or before the due date, that is, within 30 days of the receipt of the invoice, unless otherwise agreed to between the supplier and the municipality.

7.4.2 However, the Municipality will strive to settle the amounts payable to suppliers within the settlement period as advised on the invoice to take advantage of any settlement discounts.

7.4.3 Due regard must be taken of terms of credit offered.

7.4.4 All payments by Municipality, where possible, should be effected electronically.

7.4.5 Payments may not be split to circumvent the tender regulation and any such non-compliance constitutes financial misconduct.

7.5 Receipt of Money

7.5.1 All payments received over the counter by the Municipal cashier must be acknowledged by the issuing of a numbered official receipt.

- 7.5.2 An endorsed cancelled receipt must be attached to the day end cash reconciliation form.
- 7.5.3 A cancelled receipt must be retained for audit purposes.
- 7.5.4 Any money, including cheques and postal orders received via mail must be recorded in a designated register that must reflect all necessary details to enable later use and identification of such receipts.
- 7.5.5 The register, including all payments received, must be submitted to the cashier for receipting.
- 7.5.6 All receipts will be recorded in the designated register, and any documents relative to the payments will be filed for audit purposes.
- 7.6 Management of Cash Flow**
- 7.6.1 The Chief Financial Officer must prepare an annual estimate of the cash flow per calendar month, this is in terms of section 71 of the MFMA.
- 7.6.2 The Chief Financial Officer must, every month, update estimated cash flow with the actual cash flow.
- 7.6.3 Comments and explanations must be provided for any significant cash flow deviations.
- 7.6.4 The Accounting Officer must on a monthly basis, submit to the Finance Portfolio Committee and Provincial Treasury, a statement in the prescribed format in terms of section 71 of the MFMA.
- 7.6.5 The analysis of the cash flow will include:
- (i) When surplus revenue should be invested;
 - (ii) When investments should be liquidated; and
 - (iii) When long and short-term debt should be incurred.

8. INVESTMENT ETHICS

- 8.1 The Accounting Officer, or delegated official, shall be responsible for investing the surplus revenues of the Municipality, and shall manage such investments in compliance with this

Policy and any other policy directives formulated by Council and any regulations promulgated.

8.2 In making such investments the Chief Financial Officer, shall at all times have only the best interests on the Municipality and shall not accede to any influence or interference from other Council officials, Councilors, investment agents or institutions or any other outside parties.

8.3 Neither the Chief Financial Officer or any other Municipal Official, Executive Member or Councilor, may accept any undue gift or benefit, from any investment agent or institution or any party with which the Municipality has made or may potentially make an investment.

8.4 Prudence

Investment shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality.

Investment officials are required to:

- a) Adhere to written procedures and policy guidelines.
- b) Exercise due diligence.
- c) Prepare all reports timeously.
- d) Exercise strict compliance with all legislation.

8.5 Ownership

All investments must be made in the name of the KwaDukuza Municipality.

9. INVESTMENT PRINCIPLES

9.1 Limiting Exposure

- a) Where large sums of money are available for investment the Accounting Officer shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the Municipality.
- b) The Accounting Officer shall further ensure that as far as it is practically and legally possible, the Municipality's investments are so distributed that more than one investment

category is covered i.e. Call, Money Market and Fixed Deposit. There is a limitation to the extent on investment on the institution selected. Not more than 30% of the Municipality's investments may be made with any one investment entity at a given time. This excludes investments matched to identify projects, working capital or held in the One Day Call Account. Any investments made shall be placed with registered banks.

9.2 Risk and Return

The offer of best interest rates on an investment must be considered with the degree of risk involved to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. Money's invested may not be made for speculation and no funds may be borrowed at any time to be used for investments.

10. INVESTMENT PROCEDURE

10.1. After determining whether there is cash available for investment and fixing the maximum term of investment, the Accounting Officer must consider the way in which the investment is to be made.

10.2. Short-term Investment

- a) The term of investment shall not be more than 12 months.
- b) Quotations must be obtained from a minimum of three registered financial institutions, for the term of which the funds will be invested.
- c) Should one of the institutions offer a better rate for a term, other than the term originally quoted for, the other institutions which were approached, must also be asked to quote a rate for the other term.
- d) Quotations must be obtained via e-mail communication, as rates generally change on a regular basis and time is a determining factor when investments are made.
- e) No attempts must be made to make institutions compete with each other.

10.3. Long-term investment

- a) Written quotations must be obtained for investments made for periods longer than twelve months.
- b) The prior approval of the Council must be obtained for all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

10.4. Investment maturity

- a) Upon maturity of the investment the Municipality shall do one of the following:
 - i. Shall withdraw the whole amount invested.
 - ii. Shall re-invest 100% interest plus the original amount that had been invested, in terms of the investment procedure, unless if Council wishes to utilize the original money or the interest.
 - iii. Shall invest in part.

10.5. Early withdrawal of invested funds

- a) When investing the funds with the banking institutions the Chief Financial Officer shall ensure that such funds are not withdrawn earlier than the maturity date agreed upon, by so doing the Municipality will not incur fruitless and wasteful expenditures in form of penalties resulting from early withdrawal of investments.
- b) The Chief Financial Officer shall only withdraw funds if :
 - i) the banking institution concerned has agreed to exempt any penalties due to early withdrawal of investment or;
 - ii) the Accounting Officer my grant approval to withdraw the invested funds after he/she has satisfied himself/herself that the urgency was unforeseeable at the time when funds were invested and that the need for funds far outweighs the penalties being paid for such early withdrawal

11. CONTROL OVER INVESTMENTS

11.1.1 The Chief Financial Officer shall ensure that proper records are kept of all investments made by the Municipality. Such records shall indicate:

- i. The date on which the investment is made
- ii. The institution with which the money's are invested
- iii. The amount of investment
- iv. The interest rate applicable and
- v. The maturity date

11.1.2 The Chief Financial Officer shall ensure that all interest and capital properly due to the Municipality are timeously received and shall take appropriate steps if interest or capital is not fully or timeously received.

- 11.2 The Chief Financial Officer shall ensure that all investment documents are adequately safeguarded.
- 11.3 If an Investment Adviser is ever engaged, the Chief Financial Officer shall ensure that such Adviser has the credentials specified for the "Investment Manager" in Regulation 1 of the Act.

12 BANKING ARRANGEMENTS

- 14.1 The Accounting Officer is responsible for the management of the Municipality's bank accounts, but may delegate this function to the Chief Financial Officer. The Accounting Officer and Chief Financial Officer are authorised at all times to sign cheques and any other documentation associated with the management of such accounts. The Accounting Officer, in consultation with the Chief Financial Officer, is authorised to appoint two or more additional signatories in respect of such accounts, and to amend such appointments from time to time. The list of current signatories shall be reported to the Council or the Mayor.
- 14.2 In compliance with the requirements of good governance, the Accounting Officer shall open a primary bank account for ordinary operating purposes, and shall further maintain a separate accounting records for each of the following: the administration of Government grants & Subsidies, monies received from Department of Human Settlements for the administration of various housing projects.
- 14.3 The Accounting Officer shall invite tenders in accordance with the necessary SCM Regulations & Policies.

13 GENERAL INVESTMENT PRACTICE

14.1 General

After determining whether there is cash available for investment and fixing the maximum term of investment, the Chief Financial Officer or his/her Delegate must consider the way in which the investment is to be made. As rates can vary according to money market perceptions with regard to the terms of investment, quotations must be requested via email, within term limitations, and these must be set out on a schedule.

14.2 Commission Certificate

The Auditor General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

14.3 Reports

The Council must be given a monthly report on all investments.

14.4 Cash in the Bank

Where money is kept in current accounts, it would be possible to bargain for more beneficial rates with regards to deposits, for instance call deposits. Fixed term deposits can increase these rates. The most important factor is that the cash in the current account must be kept to an absolute minimum.

14.5 Obtaining Quotations

- a) Quotations for call deposits greater than 7 days, fixed deposits or any other investment with a financial institution should be requested via e-mail for a period within the limitations of the anticipated term of the investment.
- b) Quotations must be solicited from a minimum of three registered financial institutions referred to, bearing in mind the limits of the term for which it is intended to invest the funds.
- c) All quotations must be recorded on a schedule by the accountant. This schedule, together with the printed e-mails, must thereafter be given to the Chief Financial Officer for review and final consideration.
- d) The person responsible for requesting quotations from institutions should record the name of institution, the name of the person who gave the quotation and the relevant terms and rates and other facts such as whether the interest is payable on a monthly basis or on a maturity date. Written confirmation of the quotation accepted is essential.
- e) Where an investment is made at an institution at a rate lower than that of other quotations, reasons must be recorded by the Accounting Officer/delegated official and reported to Council as part of the quarterly report by the Accounting Officer/delegated official.

14 INTERNAL CONTROL PROCEDURES

- 14.1 An investment register must be kept of all investments made. The following facts must be indicated:

- a) Name of institution;
 - b) Capital invested;
 - c) Date invested;
 - d) Interest rate; and
 - e) Maturity date and
 - f) Interests earned on investments,
 - g) The Reason for investment (Purpose).
- 14.2 The investment register and accounting records must be reconciled on a monthly basis. The investment register must be examined on a fortnightly basis by the senior official under the direction of the Chief Financial Officer as instructed, to identify investments falling due within at least two weeks.
- 14.3 Where investments are to be undertaken for a period longer than three (3) months, a cash flow analysis is required.
- 14.4 Interest, correctly calculated, must be received timeously, together with any distributable capital. The Chief Financial Officer or his or her assignee must check that the interest is calculated correctly, in terms of sound universally accepted financial management practices.
- 14.5 All investment must be denominated in South African Rand (ZAR)

15 AUTHORITY

The Accounting Officer is responsible for ensuring that this Policy is implemented and enforced. The Accounting Officer may delegate any authority and duty assigned to him within this Policy by delegating it in writing and in conformance with requirements of the MFMA.

16 IMPLEMENTATION OF THIS POLICY

This Policy shall be implemented once approved by Council. Existing investments that do not comply with this Policy should be properly discontinued and all future investments must be made according to this Policy.

17 COMPLIANCE AND ENFORCEMENT

- a. Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.
- b. It will be the responsibility of Chief Financial Officer to enforce compliance with this Policy.

18 EFFECTIVE DATE

The Policy shall come to effect upon approval by Council of KwaDukuza Municipality.

19 POLICY ADOPTION

This Policy has been considered and approved by the **Council of KwaDukuza Local Municipality** as follows:

Resolution No:.....

Approval Date:.....

ANNEXURE I**PARAPHRASE OF REQUIREMENTS OF MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003**

Note: In terms of Section 60(2) of the Municipal Systems Act No. 32 of 2000 the council may delegate the authority to take decisions on making investments on behalf of the municipality only to the Mayor, executive committee or Chief Financial Officer. The foregoing policy is based on the assumption that such authority has been delegated to the Chief Financial Officer.

SECTION 7: OPENING OF BANK ACCOUNTS

Every municipality must open and maintain at least one bank account. This bank account must be in the name of the municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

A municipality may not open a bank account:

- a. otherwise than in the name of the municipality;
- b. abroad; or
- c. with an institution not registered as a bank in terms of the Banks Act 1990.

Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the present Act.

SECTION 8: PRIMARY BANK ACCOUNT

Every municipality must have a primary bank account, and if the municipality has only one bank account that account is its primary bank account. If the municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The following must be paid into the municipality's primary account:

- a. all allocations to the municipality;
- b. all income received by the municipality on its investments;
- c. all income received by the municipality in connection with its interest in any municipal entity;
- d. all money collected by a municipal entity or other external mechanism on behalf of the municipality, and;
- e. any other monies as may be prescribed.

The accounting officer of the municipality must submit to the national treasury, the provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account. If the municipality wants to

change its primary bank account, it may do so only after the accounting officer has informed the national treasury and the Auditor-General, in writing, at least 30 days before making such change.

SECTION 9: BANK ACCOUNT DETAILS TO BE SUBMITTED TO PROVINCIAL TREASURIES AND AUDITOR-GENERAL

The accounting officer of the municipality must submit to the provincial treasury and to the Auditor-General, in writing, within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and annually, before the start of each financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

SECTION 10: CONTROL OF MUNICIPAL BANK ACCOUNTS

The accounting officer of the municipality must administer the entire municipality's bank accounts, is accountable to the municipal council for the municipality's bank accounts, and must enforce compliance with Sections 7, 8 and 11 of the present Act.

The accounting officer may delegate the duties referred to above only to the municipality's Chief Financial Officer.

SECTION 11: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS

Only the accounting officer or the Chief Financial Officer of the municipality (presumably where this power has been appropriately delegated), or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts. Such withdrawals may be made only to:

- a. defray expenditure appropriated in terms of an approved budget;
- b. defray expenditure authorised in terms of Section 26(4) (this Section deals with situations in which the budget was not timeously approved, and the province has been compelled to intervene);
- c. defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1);
- d. in the case of a bank account opened in terms of Section 12, make payments from the account in accordance with Section 12(4);
- e. pay over to a person or organ of state money received by the municipality on behalf of such person or organ of state, including money collected by the municipality on behalf of such person or organ of state by agreement, or any insurance or other payments received by the municipality for such person or organ of state;
- f. refund money incorrectly paid into a bank account;
- g. refund guarantees, sureties and security deposits;

- h. make investments for cash management purposes in accordance with Section 13;
- i. defray increased expenditure in terms of Section 31; or
- j. for such other purposes as may be prescribed.

(Note that Section 11(1) does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits). Any authorisation to a senior financial official to withdraw money or to authorize the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The accounting officer may not authorise any official other than the Chief Financial Officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account if the municipality has a primary bank account which is separate from its other bank accounts. The accounting officer must, within 30 days after the end of each quarter, table in the council a consolidated report of all withdrawals made other than withdrawals to defray expenditure appropriated in terms of the approved budget, and submit a copy of the report to the relevant provincial treasury and the Auditor-General.

SECTION 12: RELIEF, CHARITABLE, TRUST OR OTHER FUNDS

No political structure or office bearer of the municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

A municipality may open a separate bank account in the name of the municipality for the purpose of such relief, charitable, trust or other fund. Money received by the municipality for the purpose of such fund must be paid into the bank account of the municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the accounting officer, acting in accordance with decisions of the council, and for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

SECTION 13: CASH MANAGEMENT AND INVESTMENTS

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be so prescribed.

A bank where the municipality at the end of the financial year holds a bank account, or held a bank account at any time during such financial year, must, within 30 days after the end of such financial year, notify the Auditor-General, in writing, of such bank account, indicating the type and number of the account, and the opening and closing balances of that account in that financial year. The bank must also promptly disclose any information regarding the account when so requested by the national treasury or the Auditor-General.

A bank, insurance company or other financial institution which the end of the financial year holds, or at any time during the financial year held, an investment for the municipality, must, within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year. Such institution must also promptly disclose any information regarding the investment when so requested by the national treasury or the Auditor-General.

SECTION 17: CONTENTS OF ANNUAL BUDGETS AND SUPPORTING DOCUMENTS

The following documents must accompany each tabled draft annual budget (inter alia):

- a. a projection of cash flows for the budget year by revenue source, divided into calendar months
- b. particulars of the municipality's investments.

SECTION 22: PUBLICATION OF ANNUAL BUDGETS

The accounting officer must make public, immediately after a draft annual budget is tabled, the budget itself and all the prescribed supporting documents, and invite comments from the local community in connection with such budget (and documents).

SECTION 36: NATIONAL AND PROVINCIAL ALLOCATIONS TO MUNICIPALITIES

In order to provide predictability and certainty about the sources and levels of intergovernmental funding for municipalities, the accounting officer of a national or provincial department and the accounting authority of a national or provincial public entity responsible for the transfer of any proposed allocations to a municipality, must by no later than 20 January of each year notify the national treasury or the relevant provincial treasury as may be appropriate, of all proposed allocations and the projected amounts of those allocations to be transferred to each municipality during each of the next 3 financial years.

The Minister or the MEC responsible for finance in the province must, when tabling the national annual budget in the national assembly or the provincial annual budget in the provincial legislature, make public particulars of any allocations due to each municipality in terms of that budget, including the amount to be transferred to the municipality during each of the next 3 financial years.

SECTION 37: PROMOTION OF CO-OPERATIVE GOVERNMENT BY MUNICIPALITIES

In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of every municipality responsible for the transfer of any allocation to another municipality, must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years.

SECTION 45: SHORT-TERM DEBT

The municipality may incur short-term debt only in accordance with and subject to the provisions of the present Act, and only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic income to be received within that financial year; or to bridge capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council; the terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and if the council approves a credit facility limited to emergency use, the accounting officer must notify the council in writing as soon as practicable of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as the options available for repaying such debt.

The municipality must pay off short-term debt within the financial year in which it was incurred, and may not renew or refinance short-term debt, whether its own debt or that of any municipal entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

SECTION 46: LONG-TERM DEBT

A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of the present Act, and only for the purpose of capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in

Section 152 of the Constitution; or refinancing existing long-term debt subject to the requirements of Section 46(5).

SECTION 47: CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONGTERM DEBT

The municipality may incur debt only if the debt is denominated in rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

SECTION 64: REVENUE MANAGEMENT (EXCERPTS)

The accounting officer of the municipality is responsible for the management of the revenue of the municipality. The accounting officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the present Act into the municipality's primary and other bank accounts.

The accounting officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on at least a weekly basis.

The accounting officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a weekly basis, and that such funds are not used for purposes of the municipality.

SECTION 65: EXPENDITURE MANAGEMENT (EXCERPTS)

The accounting officer of the municipality is responsible for the management of the expenditure of the municipality.

The accounting officer must take all reasonable steps to ensure, among other things, that payments made by the municipality are made direct to the person to whom they are due, unless agreed otherwise for reasons as may be prescribed, and either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit.

The accounting officer must also ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

The accounting officer must further ensure that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.

KWADUKUZA LOCAL MUNICIPALITY

“The Municipality”



BORROWING POLICY

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1. DEFINITIONS

In this policy, unless the context indicates otherwise, a word or expression, to which a meaning has been assigned in the Municipal Finance Management Act (MFMA) No. 56 of 2003, has the same meaning.

Accounting Officer means the municipal manager of a municipality for the purposes of this policy in relation to a municipality, and includes a person acting as the accounting officer;

Act means the Local government: Municipal Finance Management Act, 2003 (Act No 56 of 2003);

Chief Financial Officer or his delegate means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the Municipality;

Council means the Municipal Council as referred to in Section 18 of the Municipal Structures Act;

Creditor means in relation to a Municipality, means any person or service provider to whom money is owing by the Municipality;

Debt means a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities;

A contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

Delegate means an official/person delegated to perform tasks on behalf of another person;

Financial Statement means statements consisting of at least:

- A balance sheet (statement of financial position)
- An income statement (statement of financial performance)
- A cash-flow statement
- Any other statements that may be prescribed
- Any notes to these statements;

Financial Year means a year ending 30 June;

Financing Agreement means any long-term agreement, lease, installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;

Lender in relation to a Municipality means a person or service provider who provides debt finance to a Municipality;

Long Term Debt means debt, which is repayable over a period exceeding 12 months;

Municipal Debt Instrument means any note, bond, debenture or other evidence of indebtedness issued by a Municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;

Security means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor;

Short Term Debt means a debt, which is repayable over a period not exceeding 12 months;

The Municipality means KwaDukuza Local Municipality.

2. PURPOSE

- a) To establish a borrowing framework policy for the Municipality
- b) To set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

3. OBJECTIVES

- a) Manage interest rate and credit risk exposure.
- b) Maintain debt within specified limits and ensure adequate provision for the repayment of debt.
- c) To ensure compliance with all Legislation and Council policy governing borrowing of funds.

4. SCOPE OF THE POLICY

This policy governs the taking up of new loans, as well as the maintenance and redemption of existing loans. It specifically applies to:

- a) Conditions under which Municipal debt maybe incurred.
- b) Compliance with applicable legislations
- c) Long term and short term debts
- d) Security.
- e) Approvals.
- f) Internal Controls.
- g) Reporting and Monitoring Procedures.

5. PRINCIPLES FOR BORROWING

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorised borrowings.

a) **Risk Management**

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

b) **Cost of Borrowings**

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

c) **Prudence**

Borrowings shall be made with care, skill, prudence and diligence. The standard of prudence to be used shall be the "prudent person" standard and shall be applied in the context of managing overall debt.

Officials are required to adhere to:

- (i) written procedures and these guidelines
- (ii) exercise due diligence
- (iii) prepare all reports timeously
- (iv) ensure strict compliance with all Legislation and Council policy

d) **Ownership**

All loans must be in the name of the Municipality

6. CONDITIONS UNDER WHICH MUNICIPAL DEBT MAY BE INCURRED

6.1 Statutory Conditions

6.1.1 The Municipality may incur debt, provided that:

- a) The debt is denominated in Rand and is not indexed to, or affected by fluctuations in the value of the Rand to other currencies (Section 47 (a) of the Act).
- b) The debt is approved by resolution of Council, signed by the Executive Mayor, and the Accounting officer has signed the agreement or other document, which creates or acknowledges the debt (Section 46 (2) of the Act).
- c) The Accounting Officer has, at least 21 days prior to the meeting of the Council at which the resolution is to be considered, published a notice in a newspaper of general circulation.
 - i) Stating particulars of the draft resolution, including the amount of the loan, the purpose of the loan to be incurred and the particulars of any security to be provided (Section 46(3)(a)(i) of the Act).
 - ii) Inviting the public to submit written representations to the Council in respect of the draft resolution (section 46(3)(a)(ii) of the Act).
- d) The Accounting Officer has, prior to the adoption of the resolution, submitted an information statement to the Council setting out the purpose for which the debt is to be incurred, the anticipated total cost of credit over the repayment period, the essential repayment terms and particulars of any securities to be provided (Section 46(3)(b) of the Act).
- e) The relevant resolution was adopted at a meeting of the Council, which was open to the Public.
- f) Where Security is to be provided, the provisions of Section 11 below has been compiled with (Section 47(b) of the Act).

6.1.2 Long term debt

6.1.3 The Municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No 108 of 1996, and Chapter 7 on Local Government, to:

- a) Provide democratic and accountable government for local communities.
- b) Ensure the provision of services to communities in a sustainable manner.

- c) Promote social and economic development.
- d) Promote a safe and healthy environment
- e) Encourage the involvement of communities and community organizations in the matters of local government

6.1.4 Short term debt

- a) Section 45 of The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.
- b) The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt.
- c) The Municipality may, in terms of the Municipal Finance Management Act, incur short term debt only if the Chief Financial Officer has made a prior written finding that the debt is either within prudential limits on short term debt as previously approved by the Municipality, or is necessary due to an emergency that could not reasonably have been foreseen and cannot await Council approval.
- d) The Municipality is in the fortunate position that due to its prudent and sound financial position and surplus funds it is not necessary to raise any short term loans.

7. LEGISLATIVE FRAMEWORK & DELEGATION OF AUTHORITY

The relevant Legislation and regulations in terms of which borrowing decisions are governed is Local Government Municipal Finance Management Act, No 56 of 2003.

8. TYPES OF LOANS

7.1 "Vanilla" loans

"Vanilla" loans are straightforward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. The calculation of the instalment payable on an annuity basis is simple and straightforward. Normally with a "vanilla" loan, the instalment of the loan will be repaid in equal six monthly instalments over

the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) must be taken out. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and offer the fixed rate to the Municipality. An IRS agreement must comply with the terms set out by the International Swap Dealers Association (ISDA).

The fixing of debt repayments is an important consideration in meeting the legal requirement of the Municipality, that of annually producing a balanced budget. Debt servicing comprises some 2.87% of the annual operating budget hence the need for certainty of annual debt payments.

7.2 Structured Finance Loans

In its simplest form, a structured finance loan is one where the Lender, who is a taxpayer, uses certain tax "claims" and effectively passes a portion of this benefit onto the Municipality by way of a reduced interest rate.

The advantage of this type of financing is that the benefits are utilised, giving the borrower a lower interest rate on the loan. The disadvantage is that any amendments in South African tax laws or the underlying assumptions in the financial model determining the structure of the loan will result in changes in the overall interest rate.

It must be appreciated that before entering into any structured finance contract the Municipality, being a Statutory body, will carefully scrutinise all aspects of the structured finance loan agreement including seeking legal advice both from the Head: Legal and, where necessary, from Senior Legal Counsel to ensure that the Municipality is not participating in a structure which the South African Revenue Service may deem to be one which leads to tax evasion. The Municipality will always adopt a prudent and carefully evaluated approach before entering into structured finance loan agreements.

7.3 Bonds

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporate and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond.

The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand.

During its tenure the Bond will trade on the Bond market at prevailing interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices move inversely to movements in interest rates.

a)

Advantages of a Municipal Bond issue are:

- (i) A Municipal Bond issue may match the life of the asset being financed. This allows for pay-as-you-use, whereby the ratepayer pays for the use of the asset over the life of the asset.
- (ii) A Municipal Bond issue can take advantage of conditions in the interest rate market. The best example being when short-term rates are higher than long term rates – an inverted yield curve. If all preparations have been taken to enter the market quickly, then a Bond issue with a medium to long term duration could take advantage of short term volatility in the market.
- (iii) If a Municipality establishes a position in the market, it can realize certain benefits. It gives the Issuer a benchmark for further issues. If there are several large maturities that are listed / quoted, it may be possible that a small add-on issue could be put into the market at a lower cost than a new issue.
- (iv) A Municipal Bond issue is an alternative to Bank loans or structured loans. Also, because of the involvement of such parties as Financial Advisors and Underwriters, there should be better understanding and knowledge about interest rates and investor capacity for lending.

b)

Disadvantages of a Municipal Bond issue are:

- (i) The regulatory requirements which must be complied with prior to an issue will take more time to accomplish than the concluding of a Bank loan.
- (ii) The cost of an issue will be more expensive than a Bank loan.
- (iii) There will be more parties to a Bond issue and therefore organizing and implementing such an issue will require greater administration.

(iv) Because of the public offer nature of a Bond issue, there will be a greater need for continuing information disclosure, and the accuracy of this information will be important in order not to mislead the Investors.

(v) There will be a number of Investors rather than one Lender, payment of interest and principal will need to be made to many Lenders, requiring greater administration.

The Municipality has not issued any Bonds

9. OTHER CONSIDERATIONS

8.1 The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan which has facilitated the much needed service delivery program.

a) Factors to be considered when borrowing :

- (i) the type and extent of benefits to be obtained from the borrowing
- (ii) the length of time the benefits will be received
- (iii) the beneficiaries of the acquisition or development
- (iv) the impact of interest and redemption payments on both current and forecasted property tax income
- (v) the current and future capacity of the property tax base to pay for borrowings and the rate of growth of the property tax base
- (vi) likely movements in interest rates for variable rate borrowings
- (vii) other current and projected sources of funds
- (viii) competing demands for funds
- (ix) timing of money market interest rate movements and the long term rates on the interest rate curve

- 8.2 The Municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges.
- 8.3 The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.
- 8.4 The Municipality's external borrowings have been mainly sourced from the following Institutions :
- a) South African Registered Banks
 - b) Development Bank of Southern Africa Limited
 - c) Infrastructure Finance Corporation Limited
- 8.5 The Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

10. REFINANCING DEBT

- 9.1 Section 46 of the Municipal Finance Management Act provides that the Municipality may refinance existing long term debt, if such refinancing is in accordance with the prescribed framework. The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed. Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment.
- 9.2 No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to

the needs of the various lenders, presently the typical debt repayment period for loans is between ten to twenty years, closely matching the underlying asset lives serviced by the loans.

- 10.2 Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

12. SECURITY

- 11.1 The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

13. OVERDRAFT

- 12.1 The Municipality has a bank overdraft facility in terms of Section 45 of Municipal Finance Management Act.

14. DISCLOSURE

- 14.1 Any official involved in the securing of loans by the Municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor disclose all relevant information that may be requested or that may be material to the decision of the prospective lender or investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

15. GUARANTEES

- 15.1 Section 51 of the Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings.
- 15.2 Neither the National nor Provincial Government may guarantee the debt of any Municipality.

16. APPROVAL OF LOANS BY THE MUNICIPALITY

- 16.1 Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the Mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.
- 16.2 A copy of the information statement must be submitted to Council at least 21 days prior to the meeting to discuss the proposed loan, together with particulars of:
- a) the essential repayment terms, including the anticipated debt repayment schedule; and
 - b) the anticipated total cost in connection with such debt over the repayment period.

17. PROVISION FOR REDEMPTION OF LOANS

- 17.1 The Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity

date and amount of the intended loan that is to be repaid. Use can also be made of guaranteed endowment policies to facilitate the payment on maturity date.

18. NON-REPAYMENT OR NON-SERVICING OF LOAN

- 18.1 The Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.
- 18.2 Failure to pay any loan instalment even by one day, and even if only through administrative oversight, will have severe repercussions and may jeopardise the Municipality's credit rating.
- 18.3 In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements and the undermentioned are some examples of typical covenant requirements:
- furnish audited annual financial statements timeously
 - long term credit rating not to decline below A+
 - reporting of material changes in financial position of the Municipality
 - material changes in the functions, power and duties of the Municipality

19. PROHIBITED BORROWING PRACTICES

- 19.1 In the past some Municipalities have borrowed funds with the sole purpose of investing them to earn a return. The motive was clearly speculative. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments. Consequently, as a principle, the Municipality does not borrow for investment purposes, but depending on the shape of the interest yield curve may borrow in advance of its capital cash flow needs in a given financial year to take advantage of an inverse interest yield curve.
- 19.2 Foreign Borrowing is not permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

20. INTERNAL CONTROL

- 20.1 The internal control procedures involve testing by Internal Audit and reporting in terms of Performance Management, and the Auditor-General reviewing and testing the systems of the Finance Department on a regular basis. In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the portfolio.
- 20.2 Controls deemed most important include:
- a) Control of collusion, separation of duties.
 - b) Custodial safekeeping of loan agreements and contracts.
 - c) Clear delegation of duties.
 - d) Checking and verification by senior officials of all transactions.
 - e) Documentation of transactions and repayments.
 - f) Code of ethics and standards.
 - g) Procedure manuals.

21. NATIONAL TREASURY REPORTING AND MONITORING REQUIREMENTS

- 21.1 The Municipality submits numerous returns to National Treasury. It is mainly coordinated by the Accounting Division. One such report deals with the Municipality's external interest paid each month. Another return, prepared on a quarterly basis, requires the Municipality to itemise all its external borrowings for the quarter ended.

22. OTHER REPORTING AND MONITORING REQUIREMENTS

- 22.1 Regular reporting mechanisms are in place in order to access the borrowings portfolio and to ensure compliance with policy objectives, guidelines and applicable laws.

22.2 Monthly activities include:

- a) Reconciliation of bank accounts
- b) Payment requisition verification and authorisation
- c) Comparison of actual payment to budget
- d) Maintain schedule of payment dates and amounts.
- e) National Treasury Cash Flow return
- f) Analysis of Ratios
- g) Scrutiny of loan agreements to ensure compliance with loan covenants

22.3 Quarterly activities:

- a) National Treasury Borrowings return
- b) Restructure Grant input

22.4 Annually:

- a) Preparation of Annual Budget

- b) Preparation of Annual Cash Flow Forecast
- c) Preparation of Annual Approximates/Estimates
- d) Preparation of Annual Financial Statements
- e) Confirmation of Lender balances at financial year end obtaining written certification of loan balances at year end
- f) Completion of credit rating questionnaire
- g) Regular reviews by Internal Audit; Performance Management & Auditor-General

23. POLICY ADOPTION

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Resolution No:.....

Approval Date:.....



KWADUKUZA MUNICIPALITY

("The Municipality")

FUNDS AND RESERVES POLICY

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1. DEFINITIONS

„**Municipality**“ means KwaDukuza Local Municipality

„**MFMA**“ means the Municipal Financial Management Act, 2003 (Act No 56 of 2003)

„**GRAP**“ means Generally Accepted Accounting Practices standards.

„**CFO**“ means the Chief Financial officer of the Municipality

„**Accounting Officer**“ means the Municipal Manager of the Municipality

2. INTRODUCTION

The funding and reserves policy aims to ensure that the Municipality has sufficient and cost-effective funding in order to achieve its objectives through the implementation of its operating and capital budgets.

This policy aims to set guidelines towards ensuring financial viability over both the short- and long-term which includes reserves requirements.

3. OBJECTIVES OF THIS POLICY

The objectives of this policy are to:

- 3.1 Ensure that the Medium Term Expenditure Framework (annual budget) of the Municipality is appropriately funded.
- 3.2 Ensure that cash resources and reserves are maintained at the required levels to avoid future year unfunded liabilities.
- 3.3 To achieve financial sustainability with acceptable levels of service delivery to the community.

4. LEGISLATIVE REQUIREMENTS

The legislative framework governing borrowings are:

- 4.1 Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
and,

- 4.2 Local Government: Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.

5. FUNDING OF ANNUAL BUDGET

- 5.1 An annual budget may only be funded from:
- (a) Cash backed accumulated funds from previous years surpluses and reserves not committed for any other purpose; and/or
 - (b) Borrowed funds but only for capital expenditure.
- 5.2 Realistic anticipated revenue projections must take into account:
- (a) Projected revenue for the current year based on collection levels to date.
 - (b) Actual revenue collected in previous financial years.
- 5.3 Capital expediting may only incur on a capital project if:
- (a) The funding for the project has been appropriated in the capital budget.
 - (b) The total cost for the project has been approved by Council.
 - (c) The future budgetary implications and projected cost covering all financial years until the project is operational has been considered.
 - (d) The implications of the capital budget on municipal tax and tariff increases.
 - (e) The sources of funding are available and confirmed and have not been committed for other purposes.

6. CASH MANAGEMENT

- 6.1 The availability of cash is one of the most important requirements for financial sustainability and must be closely monitored by Council to ensure minimum days cash on hand of ninety (90) days for its daily operations.
- 6.2 Changes in the municipal environment that may have an impact on the municipal cash position include:
- (a) Changes in revenue levels as a result of consumption patterns (water Restrictions, load shedding etc.);
 - (b) Reduced growth as a result of economic conditions;
 - (c) Increase in non-payment rate as a result of economic conditions;
 - (e) Increased debt levels.

- 6.3 Surplus cash not immediately required for operational purposes is invested in terms of the Municipality's investment policy to maximize the return on cash.

7. DEBT MANAGEMENT

- 7.1 Debt is managed in terms of the municipal credit control and debt collection policy.
- 7.2 The provision for revenue that will not be collected are budgeted as an expense and is based on the projected annual non-payment rate for each service.

8. OPERATING BUDGET

- 8.1 The operating budget provides funding to departments for their medium term expenditure as planned. The Municipality categorises services rendered to the community according to its revenue generating capabilities.
- (a) Trading services - services that generate surpluses that can be used for cross subsidisation to fund other services.
 - (b) Economic services - services that break even with no surpluses.
 - (c) Rates and general services - services that are funded by rates, surpluses generated by trading services, and/or other revenues generated such as fines, interest received, grants and subsidies etc.
- 8.2 The operating budget is funded from the following main sources of revenue:
- (a) Property rates.
 - (b) Surpluses generated from service charges. (including electricity)
 - (c) Government grants and subsidies.
 - (d) Other revenue, fines, interest received etc.
- 8.3 The following guiding principles apply when compiling the operating budget:
- (a) The annual budget must be balanced and fully funded.
 - (b) Growth parameters must be realistic taking into account the current economic conditions.
 - (c) Tariff adjustments must be realistic, taking into consideration the general inflation, affordability, bulk increases and the demand according to the approved Integrated Development Plan (IDP).

- (d) Revenue from government grants and subsidies must be in line with allocations gazette in the Division of Revenue Act and provincial gazettes.
- (e) Revenue from public contributions, donations or any other grants may only be included in the budget if there are acceptable documentation that guarantees the funds such as:
 - (i) Signed service level agreement;
 - (ii) Contract or written confirmation; or
 - (iii) Any other legally binding document.
- (f) Property rates are levied according to the Municipal Property Rates Act 2004 (Act No.6 of 2004), and property rates policy. The budget is compiled using the latest approved valuation and supplementary roll, consistent with current and past trends. Property rates tariffs and rebates are determined annually as part of the tariff setting process.
- (g) Property rates rebates, exemptions and reductions are budgeted either as revenue foregone or expenditure as per directive in MFMA Budget Circular 51 depending on the conditions thereof.
- (h) Projected revenue from service charges must be realistic based on current and past trends with expected growth considering the current economic conditions. The following factors must be considered for each service, where applicable:
 - (i) Electricity and Refuse removal services:
 - The actual number of stands/consumer points receiving the service per category; and
 - Actual revenue collected in previous financial years.
- (i) Rebates, exemptions or reductions for service charges are budgeted either as revenue foregone or as expenditure as per directive in MFMA Budget Circular 51 depending on the conditions thereof.
- (j) Other projected income is charged in terms of the approved sundry\ tariffs and fines considering the past trends and expected growth for each category.
- (k) Provision for revenue that will not be collected is made against the expenditure item bad debt provision and based on actual collection levels for the previous financial year and the projected annual non-payment rate.
- (l) Interest received from actual long-term and or short-term investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends.
- (o) A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total and new and/or funded vacant positions are

budgeted for nine months only of the total package considering the recruitment process.

- (p) The annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs.
- (q) To ensure the health of municipal assets, sufficient provision must be made for the maintenance of existing and infrastructure assets based on affordable levels, resulting that maintenance budgets are normally lower than the recommended levels. Therefore the mere reduction of maintenance budgets to balance annual budgets must carefully be considered. As a guiding principle repair and maintenance should constitute between 7% and 9% of total asset base and should annually be increased incrementally until the required targets are achieved.
- (r) Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure increases for these line items must be linked to the average inflation rate and macro-economic indicators unless a signed agreement or contract stipulates otherwise.

9. CAPITAL BUDGET

9.1 The capital budget provides funding for the municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure.

9.2 Provisions on the capital budget shall be limited to availability of sources of funding and affordability. The main sources of funding for capital expenditure are:

- (a) Accumulated cash backed internal reserves;
- (b) Borrowings;
- (c) Government grants and subsidies; and
- (d) Public donations and contributions.

9.3 The following guiding principles apply when considering sources of funding for the capital budget:

- (a) Government grants and subsidies:

- (i) Only gazette allocations or transfers as reflected in the Division of Revenue Act or allocations as per provincial gazettes may be used to fund projects;
 - (ii) The conditions of the specific grant must be taken into consideration when allocated to a specific project; and
 - (iii) Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent the conditions will be met during the financial year.
- (b) In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding is guaranteed by means of:
 - (i) Signed service level agreement;
 - (ii) Contract or written confirmation; and/or
 - (iii) Any other legally binding document.All above documentation must be accompanied by a Council Resolution
- (c) Public donations, contributions and other grants are provided for on the relevant department's operating budget to the extent the conditions will be met during the financial year.
- (d) The borrowing requirements, to be used as a basis to determine the affordability of external loans over the Medium Term Income and Expenditure Framework. The ratios to be considered to take up additional borrowings:
 - (i) Long-term credit rating of BBB;
 - (ii) Interest cost to total expenditure to not exceed 5%;
 - (iii) Long-term debt to revenue (excluding grants) not to exceed 30%;
- (e) Allocations to capital projects from cash backed internal reserves will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve as follows:
 - (i) Infrastructure projects to service new developments and the revenue is received through the sale of stands/land/site must be allocated to the capital reserve for services;
 - (ii) Capital projects of a smaller nature such as office equipment, furniture, plant and equipment etc. must be allocated to the capital reserve from revenue which is funding from the revenue budget for that specific year. A general principle is that these types of capital

expenditure should not exceed more than 1% of total operating expenditure;

- (iii) Capital projects to replace and/or upgrade existing assets will be allocated to the capital replacement reserve;
- (iv) Capital projects to upgrade bulk services will be allocated to the capital bulk contributions reserve for each service.

9.4 All capital projects have an effect on future operating budget therefore the following cost factors should be considered before approval:

- (a) Additional personnel cost to staff new facilities once operational;
- (b) Additional contracted services, that is, security, cleaning etc.
- (c) Additional general expenditure, that is, services cost, stationery, telephones, material etc.
- (d) Additional other capital requirements to the operate facility, that is, vehicles, plant and equipment, furniture and office equipment etc.
- (e) Additional costs to maintain the assets;
- (f) Additional interest and redemption in the case of borrowings;
- (g) Additional depreciation charges;
- (h) Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

10. RESERVES

10.1 All reserves are "*ring fenced*" as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognized Accounting Practices (GRAP).

11. PROVISIONS AND LIABILITIES

A provision is recognised when the municipality has a present obligation as a result of a past event and it is probable, more likely than not, that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are revised annually and those estimates to be settled within the next twelve (12) months are treated as current liabilities. Those that are expected to be settled over a greater period than twelve (12) months are dealt with hereunder.

Liabilities are economic outflows which are as a result of past events. These are either constructive or legal obligations, for which the timing and amount is certain. Those that are expected to be settled within 12 months is deemed current liabilities whilst those expected to be settled greater than 12 months is deemed non-current and is more fully dealt with hereunder.

The municipality has the following main provisions and liabilities:

(a) *Leave provision*

Liabilities for annual leave are recognised as they accrue to employees.

An annual provision is made from the operating budget to the leave provision.

Due to the fact that not all leave balances are redeemed for cash, only 75% of the leave provision will be strived to be cash backed.

(b) *Landfill rehabilitation provision*

The landfill site rehabilitation provision is created for the current operational site at the future estimated time of closure. The value of the provision is based on the expected future cost to rehabilitate the landfill site. This provision must be fully cash backed to ensure availability of cash for rehabilitation on closure.

(c) *Long services awards and retirement gifts*

Municipal employees are awarded leave days or cash according to years in service at year end. Due to the fact that not all long service leave balances are redeemed for cash, the municipality shall strive to ensure only 75% of the non-current portion of the long service leave provision is cash backed.

(d) *Post employment medical care benefits*

The municipality provides post-retirement medical care benefits by subsidizing the medical aid contributions to retired employees and their legitimate spouses. The expected cost of these benefits is accrued over a period of employment. The municipality must strive to ensure the provision is cash backed to 75% ensure the availability of cash for the payment of medical aid payments

(e) *Non-current lease liabilities and annuity loans*

The non-current portion is not required to be cash backed unless:

- there is significant uncertainty that the municipality will not be in a position to meet the terms and conditions as stipulated in the agreement, and
- the agreement contains conditions that require the municipality to pay back the full amount should there be an uncertified breach of the terms and conditions , and
- it is probable that these will be enforced by the lending institution.

(f) *Bonus Provision*

In terms of GRAP 25: Employee Benefits, a bonus paid by the municipality is a short term employee benefit. The municipality has to accrue for the service bonus as at each reporting date as required by paragraph 11 of GRAP 25. An annual provision is made from the operating budget to the leave provision.

12. OTHER ITEMS TO BE CASH BACKED

12.1 *Donations, public contributions, unspent grant funding*

Revenue received from conditional grants, donations and funding is recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Unspent amounts in relation to donations, public contributions and unspent grant funding are therefore retained in cash and are not available to fund any other items on the operating or capital budget other than that for which it was intended for. These items must be 100% cash backed.

12.2 *Consumer deposits*

Consumer deposits are partial security for a future payment of an account. Deposits are considered a liability as the deposit is utilised on the account once the service is terminated. Therefore the funds are owed to consumers and can therefore not be utilised to fund the operating or capital budget. These items must be 100 % cash backed.

12.3 *Other Current Liabilities*

Current Liabilities are liabilities which are expected to be settled within the next 12 months. These include but are not limited to current portion of non-current liabilities and trade payables. As such 100% of this category should be cash backed.

14. ADHERENCE TO POLICY

Kwadukuza Municipality is a developmental municipality and as such shall strive to meet the above funding requirements over the medium term (3-5 years). This shall be undertaken via the budget process annually and either realistically increasing revenues or decreasing capital and operating expenditure.

15. REVIEW

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and regulation.

16. POLICY ADOPTION

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Resolution No:.....

Approval Date:.....



KwaDukuza Local Municipality

ASSET MANAGEMENT POLICY

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1. PREAMBLE

Whereas section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) determines that a municipal council may not dispose of assets required to provide minimum services, and whereas the Municipal Asset Transfer Regulations (Government Gazette 31346 dated 22 August 2008) has been issued.

And whereas the municipal council of KwaDukuza Local Municipality wishes to adopt a policy to guide the municipal manager in the management of the municipality's assets.

And whereas the municipal manager as custodian of municipal funds and assets is responsible for the implementation of the asset management policy which regulate the acquisition, safeguarding and maintenance of all assets.

And whereas these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes.

And whereas the Municipal Manager must ensure an effective Asset Management Committee that will give guidance regarding the execution of the asset management policies and procedures is in operation.

Now therefore the municipal council of the KwaDukuza Local Municipality adopts the following asset management policy:

2. DEFINITIONS

Accounting Officer means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act 2000 (Act no. 32 of 2000).

Agricultural Produce is the harvested product of the municipality's biological assets.

Biological Assets are defined as living animals or plants.

Assets are items of Biological Assets, Intangible Assets, Investment Property, Heritage Assets or Property, Plant or Equipment defined in this Policy.

Carrying Amount is the amount at which an asset is recognised after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses thereon.

Chief Financial Officer (CFO) means an officer of a municipality designated by the Municipal Manager to be administratively in charge of the budgetary and treasury functions.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Critical Assets are assets identified as having a high risk profile in terms of occupational health and safety standards and the consequence of failure could result in service delivery needs not being met and human health and safety as well as the environment being negatively affected.

Depreciable Amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair Value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

GRAP are standards of Generally Recognised Accounting Practice.

Heritage Assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

Infrastructure Assets are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.

Intangible Assets are defined as identifiable non-monetary assets without physical substance.

Investment Properties are defined as properties (land or buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.

Land and Buildings are defined as a class of PPE when the land and buildings are held for purposes such as administration and provision of services. Land and Buildings therefore exclude Investment properties and Land Inventories.

MFMA refers to the Local Government: Municipal Finance Management Act (Act no. 56 of 2003).

Other Assets are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

Property, Plant and Equipment (PPE) are tangible assets that:-

- Are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- Are expected to be used during more than one reporting period.

Recoverable Amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable Service Amount is the higher of a non-cash generating asset's fair value less cost to sell and its value in use.

Residual Value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Useful Life is:-

- The period of time over which an asset is expected to be used by the municipality; or
- The number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

3. OBJECTIVE

The MFMA was introduced with the objective of improving accounting in the municipal sector in keeping with global trends. Good asset management is critical to any business environment whether in the private or public sector. In the past municipalities used a cash-based system to account for assets, whilst the trend has been to move to an accrual system.

With the cash system, assets were written off in the year of disposal or, in cases where infrastructure assets were financed from advances or loans, they were written off when the loans were fully redeemed. No costs were attached to subsequent periods in which these assets would be used.

With an accrual system the assets are incorporated into the books of accounts and systematically written off over their anticipated useful lives. This necessitates that a record is kept of the cost of the assets, the assets are verified and the condition assessed periodically, and the assets can be traced to their suppliers via invoices or other such related delivery documents. This ensures good financial discipline, and allows decision makers greater control over the management of assets. An Asset Management Policy should promote efficient and effective monitoring and control of assets.

According to the MFMA, the Accounting Officer in the Municipality should ensure:

- that the municipality has and maintains an effective and efficient and transparent system of financial and risk management and internal control;
- the effective, efficient and economical use of the resources of the municipality;
- the management (including safeguarding and maintenance) of the assets of the municipality;
- that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and

- that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA, Treasury Regulations, GRAP and other related legislation;
- safeguards and controls the assets of the municipality; and
- optimises asset usage.

ASSET MANAGEMENT COMMITTEE

To facilitate and assist the Chief Financial Officer in his/her functions, the Municipal Manager, hereby, delegates the custody of and responsibility for assets to the various Executive Directors as defined in the organisational structure of the KwaDukuza Local Municipality. Executive Directors will identify officials on an appropriate level to assist them with the application of the policy and procedures proclaimed from time to time. The Asset Management Committee as established in terms of paragraph 1, must be informed in writing of the appointment of such Asset Controllers.

The responsibilities for asset management as detailed hereunder include and remain until the asset is disposed of or transferred to another entity:

- Ensuring that, when acquiring assets, decisions on how to account for the transactions, e.g. whether they should be capitalised or expensed, are made in full compliance with the MFMA, accounting standards, National Treasury and other guidelines;
- Ensuring that the purchase of assets complies with all municipal policies and procedures, including the MTREF;
- Ensuring that the correct date on which an asset is put into service or commissioned is properly recorded in the Asset Register and that the appropriate financial data are recorded;
- Ensuring that all assets are duly processed, identified and recorded before issued for use;
- Ensuring that all assets under the Executive Director's control are appropriately safeguarded from inappropriate use or loss, including

appropriate control over the physical access to these assets and regular asset verification to ensure losses have not occurred, and ensuring that any known losses are immediately reported to the Chief Financial Officer and loss control officer;

- Ensuring that proper procedures for the movement of assets from one asset holder to another, for maintenance, or disposals outside the municipality are in place and enforced;
- Ensuring assets are utilised for the purpose for which they were acquired by the municipality.
- Ensuring that all assets having a high risk profile in terms of occupational health and safety standards and the consequence of failure could result in service delivery needs not being met and human health and safety as well as the environment being negatively affected.

4. POLICY FRAMEWORK

The main challenges associated with managing assets can be characterised as follows:

- Moveable assets – controlling acquisition, location, use, and disposal (over a relatively short term lifespan)
- Immovable assets – life-cycle management (over a relatively long-term lifespan).

The policy approach has been to firstly focus on the financial treatment of assets, which needs to be consistent across both the movable and immovable assets, and secondly to focus on the management of immovable assets as a fundamental departure point for service delivery. This arrangement is summarised in Figure 1.

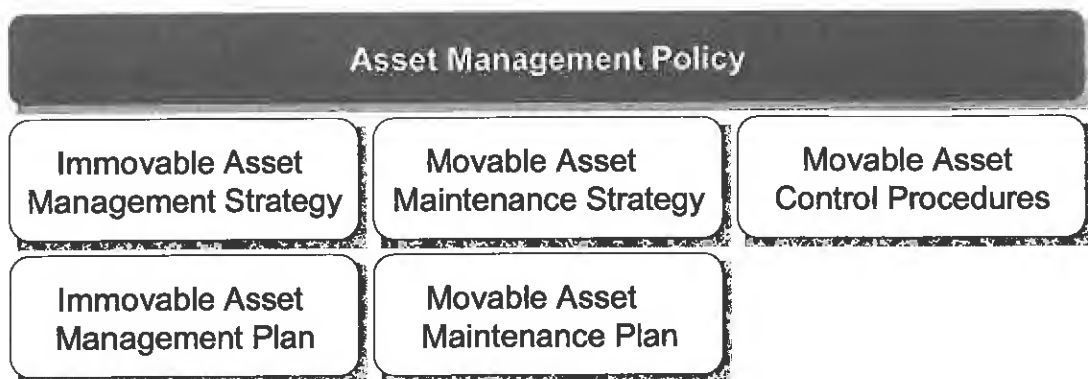


Figure 1: Proposed policy and strategic framework

5. Asset Recognition

5.1 Classification of Assets

General

When accounting for assets, the municipality should follow the various standards of GRAP relating to the assets. An item is recognised in the statement of financial position as an asset if it satisfies the definition and the criteria for recognition of assets. The first step in the recognition process is to establish whether the item meets the definition of an asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Assets are classified into the following categories for financial reporting purposes:

1. Property, Plant and Equipment (GRAP 17)
 - Land and Buildings (land and buildings not held as investment)
 - Infrastructure Assets (immovable assets that are used to provide basic services)
 - Housing Assets (rental stock or housing stock not held for capital gain)
 - Other Assets (ordinary operational resources)
2. Intangible Assets (GRAP 31)
 - Intangible Assets (assets without physical substance held for ordinary operational resources)
3. Heritage Assets (GRAP 103)
 - Heritage Assets (culturally significant resources)
4. Investment Property (GRAP 16)
 - Investment Assets (resources held for capital or operational gain)
5. Biological Assets (GRAP 27)
 - Biological Assets (livestock and plants held)

When accounting for Current Assets (that is of capital nature), the municipality should follow the various standards of GRAP relating to these assets. Current Assets (with a capital nature) are classified into the following categories for financial reporting purposes:

6. Assets classified as Held-for-Sale (GRAP 100)
 - Assets Held-for-Sale (assets identified to be sold in the next 12 months and **that is not** reclassified as Inventory)
7. Land Inventories (GRAP 12)

- Land Inventories (land or buildings owned or acquired with the intention of selling such property in the ordinary course of business)

Further asset classification has been defined in GRAP. The classifications used for infrastructure are limited and do not represent all asset types. However, these classifications are used for financial reporting consistency and should be used.

To facilitate the practical management of infrastructure assets and Asset Register data, infrastructure assets have been further classified. The recommended classifications for all assets are provided in **Appendix B**.

Policy

The asset classification specified by GRAP shall be adhered to as a minimum standard. The extended asset classification specified in **Appendix B** shall be adopted.

Procedures and Rules

- The Asset Management Committee shall ensure that the classifications specified by National Treasury, GRAP, and those adopted by the municipality are adhered to.
- The Asset Management Committee shall inform Executive Directors of the classification requirements.
- Executive Directors shall ensure that all fixed assets under their control are classified correctly.

5.2 Identification of Assets

General

An asset identification system is a means to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual basis. Movable assets are usually identified using a barcode system by attaching a barcode to each item. Immovable assets are usually identified by means of an accurate description of their physical location.

Policy

An asset identification system shall be operated and applied in conjunction with an Asset Register. As far as practicable, every individual asset shall have a unique identification number.

Procedures and Rules

- The Asset Management Committee shall develop and implement an asset identification system, while acting in consultation with Executive Directors.
- Executive Directors shall ensure that all the assets under their control are correctly identified.

- As far as practicable, all movable assets must be bar-coded or uniquely marked.
- Immovable assets must be identified using naming and numbering conventions that enable easy location of the assets in the field.
- GPS coordinates must be captured on the Asset Register for infrastructure assets and buildings where practicable. The Head: Information Technology will update the GIS and ensure that the GPS coordinates on the Asset Register and the GIS are reconciled at least once per year after the annual physical asset verification.

5.3 Asset Register

General

An Asset Register is a database of information related to all the assets under the control of the municipality. The Asset Register consists of an inventory of all the assets, with each asset having a unique identifying number. Data related to each asset should be able to be stored in the Asset Register. The data requirements for the Asset Register are as follows:

Data type	Land	Movable	Infrastructure/ Buildings
Identification			
• Unique identification number or asset mark	✓	✓	✓
• Unique name	✓	✓	✓
• National Treasury Classification	✓	✓	✓
• Internal Classification	✓	✓	✓
• Descriptive data (make, model, etc.)	✓	✓	✓
• Erf/Registration	✓	✓	✓
• Title deed reference	✓		
Accountability			
• Department	✓	✓	✓
• Insurance reference		✓	✓
Performance			
• Age		✓	✓
• Condition		✓	✓
• Remaining Useful life		✓	✓
• Expected Useful Life		✓	✓
• Technical Asset Residual Value			✓
• Criticality		✓	✓
Accounting			
• Historic cost	✓	✓	✓

Data type	Land	Movable	Infrastructure/ Buildings
• Take on value	✓	✓	✓
• Take on date	✓	✓	✓
• Revalued amount	✓	✓	✓
• Valuation Difference (for purposes of Valuation Reserve and depreciation)	✓	✓	✓
• Depreciation method	✓	✓	✓
• Depreciation portion that should be transferred from Revaluation reserve to accumulated depreciation (where assets were revalued)	✓	✓	✓
• Depreciation charge for the current financial year	✓	✓	✓
• Depreciation charge for ensuing year (for purposes on current portion)	✓	✓	✓
• Impairment losses in the current year	✓	✓	✓
• Accumulated depreciation	✓	✓	✓
• Carrying value	✓	✓	✓
• Residual value	✓	✓	✓
• Source of financing	✓	✓	✓

Assets remain in the Asset Register for as long as they are in physical existence or until being written off. The fact that an asset has been fully depreciated is not in itself a reason for writing-off such an asset.

Policy

An Asset Register shall be maintained for all assets. In some cases, such as Investment Properties and Intangible Assets, separate Asset Registers will have to be maintained. The format of the register shall include the data needed to comply with the applicable accounting standards and data needed for the technical management of the assets. The Asset Register should be continuously updated and asset records should be reconciled to the general ledger on an annual basis.

Procedures and Rules

- The CFO must define the format of the Asset Register in consultation with the Executive Directors and must ensure that the Asset Register format complies with legislative requirements.
- The Asset Management Committee must ensure that a defined process and forms exist to update and maintain the Asset Register.
- The Executive Directors must provide the CFO with the information required to compile and maintain the Asset Register.

6. RECOGNITION OF ASSETS: INITIAL MEASUREMENT

General

An asset should be recognised as an asset in the financial and asset records when:

- It is probable that future economic benefits or potential service delivery associated with the item will flow to the municipality;
- The cost or fair value of the item to the municipality can be measured reliably;
- The cost is above the municipal capitalisation threshold of R1000; and
- The item is expected to be used during more than one financial year.
- The asset has been identified as a critical asset.

Spare parts and servicing equipment are usually carried as inventory in terms of the Standard of GRAP on *Inventories* and recognised in surplus or deficit as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the municipality expects to use them during more than one reporting period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Further guidance for the recognition of assets is provided below:

Capitalisation Threshold

The capitalisation threshold is a policy decision of the municipality and is the value above which assets are capitalised and reported in the financial statements as tangible or intangible assets as opposed to being expensed in the year of acquisition. As a result, the threshold has a significant impact on the size of the Asset Register and the complexity of asset management. However the capitalisation threshold is regarded as a deviation from GRAP standards and should therefore be determined annually against the municipality's materiality framework and must be determined at a level that will ensure that the municipality does not deviate materially from the requirements of GRAP 17.

The capitalisation threshold should not be applied to the components of an asset, but should be applied to the value of the asset as a whole. If the threshold is applied at component level, the Asset Register would be incomplete in the sense that an asset recorded as such would not be a complete asset.

The municipality should take the following into account when considering a capitalisation threshold:

- The impact of the threshold on the financial statements and the decisions/assessments the users of the financial statement may or may not make;
- The cost of maintaining financial and management information on assets when the threshold is very low;
- The impact on comparability and benchmarking cost of services may be difficult if different capitalisation thresholds are applied;

- The size of the municipality or the size of its service areas when setting capitalisation thresholds levels. Municipalities vary greatly in size, so what is relevant to one may be immaterial to another.
- The criticality of the asset.

Executive Directors shall, however, ensure that any movable asset item with a value lower than the capitalisation threshold and with an estimated useful life of more than one year, shall be recorded on a *Minor Assets inventory listing*. Every Executive Directors shall moreover ensure that the existence of items recorded on such inventory stock lists are physically verified from time to time, and at least once in every financial year, and any amendments which are made to such inventory stock lists pursuant to such stock verifications shall be retained for audit purposes. Executive Directors shall also ensure that any asset under their control identified as critical other than those categories of assets already identified as such on Appendix B, are included in the Asset Register by reporting these assets to the Asset Management Committee.

Calculation of initial cost price

Only costs that comprise the purchase price and any directly attributable costs necessary for bringing the asset to its working condition should be capitalised. The purchase price exclusive of VAT should be capitalised, unless the municipality is not allowed to claim input VAT paid on purchase of such assets. In such an instance, the municipality should capitalise the cost of the asset together with VAT. Any trade discounts and rebates are deducted in arriving at the purchase price. Listed hereunder is a list, which list is not exhaustive, of directly attributable costs:

- Costs of employee benefits (as defined in the applicable standard on Employee Benefits) arising directly from the construction or acquisition of the item of the Asset
- The cost of site preparation;
- Initial delivery and handling costs;
- Installation costs;
- Professional fees such as for architects and engineers;
- The estimated cost of dismantling and removing the asset and restoring the site; and
- Interest costs when incurred on a qualifying asset in terms of GRAP 5.

When payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as an interest expense over the period of credit.

Subsequent Expenses

Only expenses incurred on the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of an asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of an asset that ensures that the useful operating life of the asset is attained, shall be considered as

operating expenses and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Leased Assets

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are categorised into finance and operating leases:

- A Finance Lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may or may not eventually be transferred. Where the risks and rewards of ownership of an asset are substantially transferred, the lease is regarded as a finance lease and is recognised as an asset.
- Where there is no substantial transfer of risks and rewards of ownership, the lease is considered an Operating Lease and payments are expensed in the income statement on a systematic basis.

Policy

All assets shall be correctly recognised as assets and capitalised at the correct value. The capitalisation threshold will be determined annually by the municipality. All assets with values less than the capitalisation threshold and with values greater than R300 shall be recorded in a minor assets inventory unless such assets have been identified as being critical in which case the asset will be recorded in the Asset Register.

Procedures and Rules

- Executive Directors shall ensure that all leased assets under their control are correctly accounted for and recognised as assets.
- The CFO must keep a lease register with all the information that is necessary for reporting purposes, for example, opening balance, acquisitions, disposals, transfers, depreciation, accumulated depreciation, etc.
- Executive Directors shall keep a timesheet system for internal staff to capture professional time spent on infrastructure projects. The time shall be priced at recognised professional fee scales and should be included in the capitalisation cost of the asset.

7. SUBSEQUENT MEASUREMENT OF ASSETS

General

After initial recognition of Property, Plant and Equipment, the municipality values its assets using the cost model, unless a specific decision have been taken to revalue a certain class of assets and in such instance the PPE will be valued using the revaluation model.

When an item of PPE is revalued, the entire class of property to which that asset belongs, should be revalued.

When an asset's carrying amount is increased as a result of the revaluation, the increase should be credited to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

When an asset's carrying amount is decreased as a result of devaluation, the decrease should be recognised as an expense in the annual financial statements. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Procedures and Rules

- The CFO shall ensure that all Property, Plant and Equipment are correctly recorded in the Asset Register and revaluated (if applicable) in terms of the municipality's policies.

8. RECOGNITION OF INVENTORY ITEMS (NON CAPITAL ITEMS)

General

Inventories encompass finished goods purchased or produced, or work in progress being produced by the municipality. They also include materials and supplies awaiting use in the production process and goods purchased or produced by the municipality, which are for distribution to other parties for no charge or for a nominal charge. GRAP 12.7 defines Inventories as assets:

- In the form of materials or supplies to be consumed in the production process;
- In the form of materials or supplies to be consumed or distributed in the rendering of services;
- Held for sale or distribution in the ordinary course of operations; or
- In the process of production for sale or distribution.

Examples of Inventories may include the following:

- Ammunition;
- Consumable stores;
- Maintenance materials;
- Spare parts for plant and equipment other than those dealt with under PPE;
- Strategic stockpiles (Energy reserves, Water reserves);
- Work in progress; and
- Land / Property held for sale.

Cost of inventories shall comprise of all costs of purchase (i.e. purchase price, import duties, other taxes and transport, handling and other costs attributable to the acquisition of finished goods, materials and supplies), costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similarities are deducted. Taxes recoverable by the entity from the SARS may not be included.

Costs of development for housing or similar developments which are acquired or developed for resale will include costs directly related to the development – e.g. purchase price of land acquired for such developments, surveying, conveyance costs and the provision of certain infrastructure. Infrastructure costs relating to extending the capacity of existing infrastructure are excluded. The costs of inventories of a service provider consisting of direct labour and other costs of personnel directly engaged in providing the service and other attributable overheads are included.

Policy

Assets acquired or owned by the municipality for the purpose of selling or developing such assets with the intention to sell it or utilising the asset in the production process or in the rendering of services, shall be accounted for in the municipality's financial statements as inventory items and not as property, plant and equipment.

Procedures and Rules

- The CFO must record inventories in a dedicated section of the Inventory Register and maintain it for this purpose. The amount of cost of inventories is to be recognised and carried forward until related revenues are recognised.
- Inventories shall be measured at the lower of cost and current replacement cost where they are held for:
 - 1 Distribution at no charge or for nominal charge, or
 - 2 Consumption in the production process of goods to be distributed at no charge or for a nominal charge.
- In cases where the above does not apply, inventories shall be measured at lower of cost and net realisable value.

9. Asset Types

9.1 Property, Plant and Equipment: LAND AND BUILDINGS

General

Land and Buildings comprise any land and buildings held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes and/or to provide services to the community. These assets include building assets such as offices, staff housing, aquariums, cemeteries, clinics, hospitals, game reserves, museums, parks and also include recreational assets such as tennis courts, swimming pools, golf courses, outdoor sports facilities, etc.

Land held for a currently undetermined future use, should not be included in PPE: Land and Buildings, but should be included in Investment Properties. For this class

of Land and Buildings there is no intention of developing or selling the property in the normal course of business. This land and buildings include infrastructure reserves.

Policy

Land and buildings shall be treated using the cost less depreciation model. Land shall initially be accounted for at cost price, or fair value in cases where cost price is not known, and shall not be depreciated. Land on which infrastructure and/or buildings are located shall be listed separately in the land register and not with the infrastructure or building assets. A reference to the land shall however be included in the infrastructure and/or building Asset Register.

Land and Buildings shall be recorded under the following categories;

- LAND
 - Developed Land
 - Undeveloped Land
- BUILDINGS
 - Dwellings
 - Non-residential Structures

Procedures and Rules

- The CFO shall ensure that all land and buildings are correctly recorded in the Asset Register. The Asset Management Committee shall ensure that land and buildings are revalued (if applicable) in terms of the municipality's policies.
- The CFO shall ensure the recognition, measurement and revaluation of *Land and Buildings* in terms of GRAP 17.

9.2 Property, Plant and Equipment: INFRASTRUCTURE ASSETS

General

Infrastructure Assets comprise assets used for the delivery of infrastructure-based services. These assets typically include electricity, sanitation, solid waste, storm water, transport, and water assets. Many infrastructure assets form part of a greater facility e.g. a transformer in a sub-station.

Level of detail of componentisation

For the technical management of infrastructure, the most effective level of management is at the maintenance item level. It is at this level that work orders can be executed and data collected. This data is useful for maintenance analysis to improve infrastructure management decision making. This level in most cases coincides with the level that means the accounting criteria of different effective lives and materiality. However, the collection of data at this level of detail can be very costly when dealing with assets that are very numerous in nature e.g. water meters, street signs, household connections, etc. It is therefore prudent to balance

the value of the information with the cost of collecting the data. The different levels of detail are shown below:

- **Level 1:** Service level (e.g. KwaDukuza LM Electricity Network)
- **Level 2:** Network level (e.g. HV Transmission Network (>22kV))
- **Level 3:** Facility level (e.g. Laviopierre HV Sub Station)
- **Level 4:** Maintenance item level (e.g. HV Current Transformer)
- **Level 5:** Component level (e.g. OCB of HV CT)

The preferred level of detail for the accounting and technical management of infrastructure is level 4 above.

The compilation of a detailed infrastructure Asset Register in one financial term is a costly and onerous exercise. To ensure the practicality of implementing Asset Registers (and asset management planning as a whole), the International Infrastructure Management Manual (IIMM) recommends the adoption of a continuous improvement process as a practical implementation approach. This approach recognises the value of limited data above no data and enables the municipalities to slowly, but steadily, increase their knowledge in the assets they own. The improvement principles of the IIMM recommend starting with complete coverage of the infrastructure types at a low level of detail (e.g. level 2 or 3) and then improving the level of detail over a period of several years, starting with the high risk assets, such as pump stations, treatment works, etc.

Policy

The infrastructure Asset Register shall ensure complete representation of all infrastructure asset types. The level of detail of componentisation shall be defined to a level that balances the cost of collecting and maintaining the data with the benefits of minimising the risks of the municipality. An improvement plan stipulating the level of detail and the timing of improvements shall be prepared. Infrastructure assets should be valued at cost less accumulated depreciation and accumulated impairment. If cost can however not be established, then infrastructure assets will be valued at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value of, and the depreciation methods applied to Infrastructure assets should be reviewed annually, but the cost related to such reviews should be measured against benefits derived to ensure value for money. Such reviews will have to be performed at least once in a three year cycle.

Infrastructure assets having a high risk profile in terms of occupational health and safety standards and the consequence of failure could result in service delivery needs not being met and human health and safety as well as the environment being negatively affected must be rated as critical in the Asset Register. Assets identified as critical in terms of the aforementioned are identified in **Annexure B**.

Infrastructure Assets shall be recorded under the following main categories;

- Electricity Network;
- Roads Network;

- Solid Waste Disposal;
- Storm Water Network

Procedures and Rules

- The Asset Management Committee shall define the level of detail of the infrastructure Asset Register in consultation with the Executive Directors.
- The Asset Management Committee shall approve an improvement process that defines the target level of detail for each infrastructure asset type with the target year of implementation in consultation with the Executive Directors.
- The Asset Management Committee shall ensure the recognition and measurement of *Infrastructure Assets* in terms of GRAP 17.
- Although a category of assets may not be regarded as critical as a whole, individual assets may fulfil in the definition of criticality and Executive Directors must inform the Asset Management Committee of such assets or any changes in the criticality of an asset/category of assets and the Asset Registers must be updated accordingly.

9.3	<u>Property, Plant and Equipment: HOUSING</u>
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General

Housing Assets have their origin from housing units erected in terms of the Housing Act, funded from loans granted by Government and comprise of rental stock or selling stock not held for capital gain.

Policy

Housing assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

Housing Assets shall be recorded under the following main categories;

- Rental Schemes; and
- Selling Schemes.

Procedures and Rules

- The Asset Management Committee, in consultation with Executive Directors, shall ensure that all housing assets are appropriately recorded and valued in terms of the municipality's policies.

9.4	<u>Property, Plant and Equipment: OTHER ASSETS</u>
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General

Other Assets include a variety of assets that are of indirect benefit to the communities they serve. These assets include office equipment, furniture and

fittings, bins and containers, emergency equipment, motor vehicles, plant and equipment.

Policy

Other assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives. Other assets are not revalued.

Other assets having a high risk profile in terms of occupational health and safety standards and the consequence of failure could result in service delivery needs not being met and human health and safety as well as the environment being negatively affected must be rated as critical in the Asset Register. Assets identified as critical in terms of the aforementioned are identified in **Annexure B**.

Other Assets shall be recorded under the following main categories;

- Aircraft;
- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets.

Procedures and Rules

- The Asset Management Committee, in consultation with Executive Directors, shall ensure that all other assets are appropriately recorded in terms of the municipality's policies.
- Although a category of assets may not be regarded as critical as a whole, individual assets may fulfil in the definition of criticality and Executive Directors must inform the Asset Management Committee of such assets or any changes in the criticality of an asset/category of assets and the Asset Registers must be updated accordingly.

9.5	<u>HERITAGE ASSETS</u>
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General

A *Heritage Asset* is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);

- Historical sites (for example, historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

Policy

Heritage assets are valued at cost less accumulated depreciation and accumulated impairment losses. No depreciation shall be charged against such assets. If the cost price of heritage assets are not known, then the heritage asset will be valued at fair value.

Procedures and Rules

- For reporting purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note in the Asset Register.
- The Asset Management Committee, in consultation with Executive Directors, shall ensure that all heritage assets are appropriately recorded and valued in terms of the municipality's policies.

9.6 <u>Intangible Assets</u>

General

Intangible Assets can be purchased, or can be internally developed, by the municipality and includes, but are not limited to, computer software, website development cost, servitudes and mining rights.

Policy

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such assets are amortised over the best estimate of the useful life of the intangible asset. If an intangible asset is generated internally by the municipality, then a distinction should be made between research and development costs. Research costs should be expensed and development costs may be capitalised if all the criteria set out in GRAP 31 has been met.

Procedures and Rules

- The Asset Management Committee, in consultation with Executive Directors, shall ensure that all intangible assets are appropriately recorded in terms of the municipality's policies.
- It is the responsibility of the Head of Information Technology to ensure that all licensed computer software other than operating software are accounted.

9.7 <u>Investment Property</u>

General

Investment Property comprise of land or buildings (or parts of buildings) or both, held by the municipality as owner, or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both. Investment property does not include property used in the production or supply of service or for administration. It also does not include property that will be sold in the normal course of business. Typical investment properties include:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties);
- Shopping centres (developed along similar lines);
- Housing developments (developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit).
- Land held for a currently undetermined future use. For this class of Land and Buildings there is no intention of developing or selling the property in the normal course of business. This land and buildings include infrastructure reserves.

Policy

Investment Properties shall be accounted for in terms of GRAP 16 and shall not be classified as PPE for purposes of preparing the municipality's Statement of Financial Position. Investment Property shall initially be measured at its cost. Transaction costs shall be included in this initial measurement. Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as PPE until it is ready for its intended use, where after it shall be reclassified as an investment asset.

After initial recognition, all investment property shall be measured at cost less accumulated depreciation, except in the cases described in GRAP 16.61. The fair value of investment property shall be determined annually at reporting date in terms of the municipality's Accounting Policy. The fair value should reflect market conditions and circumstances as at the reporting date.

Procedures and Rules

- The Asset Management Committee shall ensure that investment assets are recorded in an Investment Property register.
- The Asset Management Committee shall ensure that an appropriately qualified valuator undertake such valuations on an annual basis.
- The Asset Management Committee shall ensure the recognition and measurement of *Investment Property* in terms of GRAP 16.

9.8 <u>Biological Assets</u>

General

Biological Assets are living plants and animals such as trees in a plantation or orchard, cultivated plants, sheep and cattle. Managed agricultural activity such as raising livestock, forestry, annual or perennial cropping, fish farming that are in the process of growing, degenerating, regenerating and / or procreating which are expected to eventually result in agricultural produce. Such agricultural produce is recognised at the point of harvest. Future economic benefits must flow to the municipality from its ownership or control of the asset.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties. Point-of-sale costs exclude transport and other costs necessary to get assets to the market.

Where the municipality is unable to measure the fair value of biological assets reliably, a biological asset should be measured at cost less any accumulated depreciation and accumulated impairment losses.

Policy

Biological assets, such as livestock and crops, shall be valued annually at fair value less estimated point-of-sales costs.

Procedures and Rules

- The Asset Management Committee, in consultation with Executive Directors, shall ensure that all biological assets obtained from a managed agricultural activity, such as livestock and crops, are valued at 30 June each year by a recognised valuator in the line of the biological assets concerned.
- The Asset Management Committee shall ensure the recognition and measurement of *Biological Assets* in terms of GRAP 27.

9.9 <u>Assets Classified as Held-for-Sale (GRAP 100)</u>
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General

A non-current asset shall be classified as *Assets Held-for-Sale* if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

For the sale to be highly probable, management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the

date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Policy

Assets identified for disposal by way of a sale transaction, be it by public auction, bidding process or sales agreement, within 12 months of the date of identification shall be classified as assets held-for-sale and transferred from the home asset category to held-for-sale category. Such assets shall be measured at the lower of its carrying amount and fair value less costs to sell and is not depreciated any further upon classification as held-for-sale.

The municipality shall not classify a non-current asset that is to be abandoned as held-for-sale because its carrying amount will be recovered principally through continuing use.

Procedures and Rules

- The Asset Management Committee shall ensure that assets held-for-sale are recorded in a separate register.
- The Asset Management Committee shall ensure the recognition and measurement of *Assets Held-for-Sale* in terms of GRAP 100.

9.10	<u>Inventory Property (GRAP 12)</u>
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General

Inventory Property comprises any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business.

Policy

Inventory land and buildings shall be accounted for as inventory, and not included in either PPE or Investment Property in the municipality's Statement of Financial Position. Inventory property shall be valued annually at reporting date at the lower of its carrying value or net realisable value, except where they are held for:

- (a) distribution at no charge or for a nominal charge, or
- (b) consumption in the production process of goods to be distributed at no charge or for a nominal charge, then they shall be measured at the lower of cost and current replacement cost.

Procedures and Rules

- The Asset Management Committee shall ensure that inventory properties are recorded in the Inventory register.
- The Asset Management Committee shall ensure the recognition and measurement of *Inventory Property* in terms of GRAP 12.

9.11 <u>Minor Assets (Assets Below Approved Threshold)</u>

General

Minor Assets comprise movable assets not capitalised in terms of the threshold policy of the municipality. However, these assets must still be controlled, safeguarded and verified by the municipality. They are not capitalised for the number of assets compared to their value does not warrant the complex procedures applicable to asset management, rendering a manageable Asset Register by concentrating on what is material and significant to the municipality's operation.

Policy

Minor assets shall be expensed in the Statement of Financial Performance and not be capitalised. However, these assets shall be bar-coded for identification purposes and recorded at cost in the Minor Asset Inventory Listing. These assets shall not be depreciated or tested for impairment and shall not generate any further transactions, except in the cases where losses are recovered by means of insurance claims or recoveries from disciplinary actions.

Procedures and Rules

- The Asset Management Committee shall ensure that minor assets are recorded in the Asset Register in the same manner as other assets, but a separate section of the Asset Register shall be maintained for this purpose.

10. Asset Acquisition

10.1 Acquisition of Assets

General

Acquisition of assets refers to the purchase of assets by buying, building (construction), or leasing.

Policy

Should the municipality decide to acquire an asset, the following fundamental principles should be carefully considered prior to acquisition of such an asset:

- The purpose for which the asset is required is in keeping with the objectives of the municipality and will provide significant, direct and tangible benefit to it;
- The asset fits the definition of an asset (as defined in GRAP 16, GRAP 17, GRAP 27, GRAP 31 and GRAP 103)
- The asset has been budgeted for;
- The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- The purchase is absolutely necessary as there is no alternative municipal asset that could be economically upgraded or adapted;
- The asset is appropriate to the task or requirement and is cost-effective over the life of the asset.
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources;
- Space and other necessary facilities to accommodate the asset are in place; and

Procedures and Rules

- The Asset Management Committee shall ensure that the Supply Chain Management Policy makes provision for these principles.
- The CFO shall ensure that all acquired assets are appropriately insured.

10.2 Creation of New Infrastructure Assets

General

Creation of new infrastructure assets refers to the purchase and / or construction of totally new assets that has not been in the control or ownership of the municipality in the past.

Policy

The cost of all new infrastructure facilities (not additions to or maintenance of existing infrastructure assets) shall be allocated to the separate assets making up such a facility and values may be used as a basis for splitting up construction costs

of new infrastructure into its significant components, each of which have an appropriate useful life.

Work in progress shall be flagged as such in the Asset Register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for to operate in the manner intended by management.

Each part of an item of Infrastructure with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Procedures and Rules

- Executive Directors shall ensure that a "Bill of Material" is submitted to Finance that includes the details of the work in progress relating to the relevant invoice and/or payment request.
- Executive Directors shall notify Finance when the works have been completed and the assets can be recognised.
- Executive Directors shall guide the service provider to submit invoices of work in progress as per the components and classification of assets as in the Asset Register.
- Executive Directors shall provide Finance with completion certificates and bill of quantities for all completed capital projects.

10.3	<u>Self-constructed Assets</u>
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General

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality.

Policy

All assets that can be classified as assets and that are constructed by the municipality should be recorded in the Asset Register and depreciated over its estimated useful life for that category of asset. Work in progress shall be flagged as such in the Asset Register until such time that the facility is completed. Depreciation will commence when the asset is in the condition necessary for it to operate in the manner intended by management.

Procedures and Rules

- Executive Directors shall ensure that proper records of staff time, transport and material costs are kept such that all costs associated with the construction of these assets are completely and accurately accounted for.
- Executive Directors shall open a job card for each infrastructure project constructed by the municipality.
- On completion of the infrastructure project, the Executive Directors shall notify Finance of the asset being commissioned and will assist Finance in

ensuring that all costs (both direct and indirect) associated with the construction of the assets are summed and capitalised to the assets that make up the project.

10.4 Donated Assets

General

A donated asset is an item that has been given to the municipality by a third party in government or outside government without paying or actual or implied exchange.

Policy

Donated assets should be valued at fair value, reflected in the Asset Register, and depreciated as normal assets.

Procedures and Rules

- All donated assets must be approved by the Asset Management Committee and ratified by Council prior to acceptance.
- The Asset Management Committee must evaluate the future operational costs of donated assets and the effect it might have on future tariffs and taxes, before a donated asset is accepted by the municipality.
- The conditions associated with the donation must be agreed upon and signed by the Municipal Manager.
- Municipal officers must inform the Asset Management Committee of any donations made to the Municipality.

11. Asset Maintenance

11.1 Useful Life of Assets

General

Useful Life of assets is defined in paragraph 2 of the Policy and is basically the period or number of production units for which an asset can be used economically by the municipality.

National Treasury (NT) published its Local Government Asset Management Guideline in August 2008 that includes directives for useful lives of assets, but municipalities must use their own judgement based on operational experience and in consultation with specialists where necessary in determining the useful lives for the particular classes of assets. Should the municipality decide on a useful life outside the given parameters, the National Treasury (OAG) should be approached and provided with a motivation, for its agreement of the rate utilised. The calculation of useful life is based on a particular level of planned maintenance.

Policy

The remaining useful life of assets shall be reviewed annually. Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

Procedures and Rules

- Executive Directors must determine the reasonable remaining useful lives of the assets under their control. Changes in remaining useful lives must be approved by the Asset Management Committee.
- During annual physical verification the condition of each asset must be reviewed to determine the validity of its remaining useful live as reflected on the Assets Register. All items identified as being impaired (with remaining useful live shorter than anticipated as per the Assets Register) must be reported to the Chief Financial Officer who will implement steps to ensure that the impairments are incorporated in the Assets Register and reported on as required by the standards of GRAP.
- The CFO shall ensure that remaining useful lives, and changes thereof, are properly recorded and accounted for in the Asset Register and the general ledger.
- The Asset Management Committee shall ensure that the *Remaining Useful Life* of an asset shall be reviewed at each reporting date.

11.2 Residual Value of Assets

General

The *Residual Value* of an asset is the estimated amount that the municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Policy

Residual values should be determined upon the initial recognition (capture) of assets. However, this will only be applicable to assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles. In practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.

The residual value of assets shall be reviewed annually at reporting date. Changes in depreciation charges emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

Procedures and Rules

- Executive Directors must determine the reasonable residual values of the assets under their control. Changes in residual values must be approved by the Asset Management Committee.
- The CFO shall ensure that residual values, and changes thereof, are properly recorded and accounted for in the Asset Register and the general ledger.
- The Asset Management Committee shall ensure that the *residual value* of an asset shall be reviewed at each reporting date.

11.3 Depreciation of Assets

General

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation therefore recognises the gradual exhaustion of the asset's service capacity. The depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

The depreciation method used must reflect the pattern in which economic benefits or service potential of an asset is consumed by the municipality. The following are the allowed alternative depreciation methods that can be applied by the municipality:

- Straight-line;
- Diminishing Balance; and
- Sum of the Units.

Policy

All assets, except land; investment properties and heritage assets, shall be depreciated over their reasonable useful lives. The *residual value* and the *useful life* of an asset shall be reviewed at each reporting date. The depreciation method applied must be reviewed at each reporting date. Reasonable budgetary provisions shall be made annually for the depreciation of all applicable assets controlled or used by the municipality, or expected to be so controlled or used during the ensuing financial year.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed. Depreciation of an asset should begin when the asset is ready to be used, i.e. the asset is in the location and condition necessary for it to be able to operate in the manner it is intended by management. Depreciation of an asset ceases when the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under certain methods of depreciation the depreciation charge can be zero while there is no production.

In the case of intangible assets being included as assets, the procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other assets.

Procedures and Rules

- Executive Directors must ensure that a budgetary provision is made for the depreciation of the assets under their control in the ensuing financial year.
- Executive Directors must determine the reasonable useful life of the asset classifications under their control. Deviations from the standards of useful life must be motivated in writing to the Asset Management Committee for approval.
- In the case of an asset which is not listed in the asset classification list, Executive Directors shall determine a useful operating life, in consultation with the CFO, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed. The Asset Management Committee must be informed of the additional asset classification and amend the Asset Management Policy accordingly.
- Alternative depreciation methods may be used in exceptional cases, if motivated by the Executive Director controlling the asset to the Asset Management Committee. The Executive Director must then provide the Asset Management Committee with sufficient statistical information to make estimates of depreciation expenses for each financial year.
- The CFO shall ensure that depreciation shall be up to date on a monthly basis and be reconciled between the Asset Register and the general ledger.

- The CFO shall ensure that the *residual value, useful life and depreciation method* of an asset shall be reviewed at each reporting date.

11.4 Impairment Losses

General

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. For example:

- Significant decline in market value;
- Carrying amount of an asset far exceeds the recoverable amount or market value;
- There is evidence of obsolescence (or physical damage);
- The deterioration of economic performance of the asset concerned; and
- The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (such as through inadequate maintenance).

The impairment amount is calculated as the difference between the *carrying value* and the *recoverable service value*. The recoverable service value is the higher of the asset's value in use or its net selling price. Where the recoverable service amount is less than the carrying amount, the carrying amount should be reduced to the recoverable service amount by way of an impairment loss. The impairment loss should be recognised as an expense when incurred unless the asset is carried at revalued amount.

If the asset is carried at a revalued amount (in the case of investment property, infrastructure and community assets) the impairment should be recorded as a decrease in the revaluation reserve. Where immovable property, plant and equipment surveys are conducted, the recoverable service value is determined using the depreciated replacement costs method by assessing the remaining useful life.

Policy

Assets shall be reviewed annually for impairment. Impairment of assets shall be recognised as an expense, unless it reverses a previous revaluation in which case it should be charged to the *Revaluation Surplus*. The reversal of previous impairment losses recognised as an expense is recognised as an income.

Procedures and Rules

- The Asset Management Committee must ensure that annual impairment surveys are performed.
- The CFO shall ensure that impairment losses, or reversals thereof, are properly recorded and accounted for in the Asset Register and the general ledger.

11.5 Maintenance of Assets and the Asset Register

General

Maintenance refers to all actions necessary for retaining an asset as near as practicable to its original condition in order for it to achieve its expected useful life, but excluding rehabilitation or renewal. This includes all types of maintenance – corrective and preventative maintenance.

For linear infrastructure assets, such as pipes and roads, the following test is applied to differentiate between maintenance and renewal when partial sections of linear assets are renewed:

- If a future renewal of the entire pipe will include the renewal of the partial section that is now renewed, then the renewal of the partial section is treated as maintenance.
- If a future renewal of the entire pipe will retain the partial section that is now renewed, then the renewal of the partial section is treated as renewal and the pipe is split into two separate assets.

The splitting of linear infrastructure has a data management implication, but it is the easiest method that maintains the data integrity over time.

Maintenance analysis is an essential function of infrastructure management to ensure cost-effective and sustainable service delivery. In order to analyse maintenance data, maintenance actions undertaken against individual infrastructure assets should be recorded against such assets.

Policy

Maintenance actions performed on infrastructure assets shall be recorded against the individual assets that are individually identified in the Asset Register.

The risk and criticality of all assets must be assessed in conjunction with the annual physical asset verification process. All assets with a condition rating greater than 3 (three) must be reported to the Asset Management Committee who will give instructions with regard to the criticality grading of the assets on the Asset Register. Executive Directors must ensure that the assets identified as critical are attended to in order to prevent possible failure.

Procedures and Rules

- Executive Directors responsible for the control and utilisation of infrastructure assets shall monitor maintenance actions and budget for the operation and maintenance needs of each asset or class of assets under their control. Operating expenses must include all labour and material costs for the repair and maintenance of the assets. This includes both contracted services and services performed by employees.
- Executive Directors shall ensure that the operating expenses are expended against the operating budget and not the capital budget.

- Executive Directors shall report to the Council annually of the extent to which the approved maintenance plan has been complied with and the extent of deferred maintenance.
- Executive Directors shall report to the Council annually on the likely effects that maintenance budgetary constraints may have on the useful operating life of the infrastructure asset classes;
- Executive Directors shall ensure that maintenance plans make provision for the additional maintenance burden of future infrastructure to be acquired.

11.6 Renewal of Assets

General

Asset Renewal is restoration of the service potential of the asset. Asset renewal is required to sustain service provision from infrastructure beyond the initial or original life of the asset. If the service provided by the asset is still required at the end of its useful life, the asset must be renewed. However if the service is no longer required, the asset should not be renewed. Asset renewal projections are generally based on forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.

Policy

Assets renewal shall be accounted for against the specific asset. The renewal value shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life.

Procedures and Rules

- The Asset Management Committee must ensure that processes are in place to capture renewals data against specific assets and to capitalise it correctly.
- Executive Directors shall ensure that renewals expenditure are correctly budgeted for in the capital budget and expensed against this budget.
- Executive Directors must ensure that renewals expenditure data are correctly captured against the assets and the expected lives adjusted.

11.7 Replacement of Assets

General

This paragraph deals with the complete replacement of an asset that has reached the end of its useful life so as to provide a similar or agreed alternative level of service.

Policy

Assets that are replaced shall be written off at their carrying value. The replacement asset shall be accounted for as a separate new asset. All costs incurred to replace the asset shall be capitalised against the new asset. The SCMP will be applied.

Procedures and Rules

- The Asset Management Committee must ensure that processes are in place to capture replacement data against specific assets and to capitalise it correctly.
- Executive Directors shall ensure that replacement expenditure are correctly budgeted for in the capital budget and expensed against this budget.

12. Asset Disposal

12.1 Transfer of Assets

General

The processes and rules for the transfer of an asset to another municipality, municipal entity or national/provincial organ of state are governed by an MFMA regulation namely "the Local Government: Municipal Asset Transfer Regulations".

Transfer of assets or inventory items refers to the internal transfer of assets within the municipality or from the municipality to another entity. Procedures need to be in place to ensure that the Asset Control Department can keep track of all assets and ensure that the fixed Asset Register is updated with all changes in asset locations. These procedures must be followed and apply to all transfers of assets from:

- One Department to another Department;
- One location to another within the same department;
- One building to another; and
- One entity to another.

Policy

The transfer of assets is regulated by the SCMP and shall be controlled by the transfer processes in the policy and the Asset Register shall be updated accordingly.

Procedures and Rules

- Executive Directors must ensure that all asset transfer information is passed to Finance.
- Asset transfer form should be used whenever there is movement of asset from one location to another.
- The CFO must ensure that a process is in place to capture and record asset transfer data.
- Staff of the Municipality, except for duly authorised staff, shall not move rented assets, such as photocopy machines.
- No person shall transfer any IT equipment without the knowledge and written consent of the Head: Information Technology.
- Executive Directors must immediately report to the Asset Management Committee any damages caused to an asset and will be held responsible to investigate the cause or nature of such damage.

12.2 Exchange of Assets

General

According to GRAP 17.33 an item of PPE may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets. The cost of such an item of property, plant and equipment is measured at fair value unless:

- (a) the exchange transaction lacks commercial substance; or
- (b) the fair value of neither the asset received nor the asset given up is reliably measurable.

If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Policy

The SCMP will be applied when assets are exchanged. The cost of assets acquired in exchange for another asset shall be measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up, adjusted by the amount of any cash or cash equivalents transferred.

Procedures and Rules

- An item of PPE may be acquired in exchange for a similar asset that has a similar use in the same line of operations and which has a similar fair value or may be sold in exchange for an equity interest in a similar asset. No gain or loss is recognised in both cases.
- The Asset Management Committee shall approve all asset exchanges in consultation with the relevant Executive Director.

12.3 Alienation / Disposal of Assets

General

Alienation / Disposal (alienation) is the process of disowning redundant and obsolete assets by transferring ownership or title to another owner, which is external to the municipality.

The MFMA (section 14 and 90) and the Municipal Supply Chain Management Regulation no. 27636 have specific requirements regarding the disposal of assets. Specifically:

- A municipality may not ...” permanently dispose of a asset needed to provide the minimum level of basic municipal services”
- Where a municipal council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset must be fair, equitable, transparent, competitive and consistent with the municipality’s supply chain management policy.

Policy

There are various methods of disposal. Different disposal methods will be needed for different types of assets. When deciding on a particular disposal method and consideration of the following, the SCMP on disposal of assets must be applied:

- The nature of the asset
- The potential market value
- Other intrinsic value of the asset
- Its location
- Its volume
- Its trade-in price
- Its ability to support wider Government programmes;
- Environmental considerations
- Market conditions
- The asset's life

Appropriate means of disposal may include:

- Public auction
- Public tender
- Transfer to another institution
- Sale to another institution
- Letting to another institution
- Trade-in
- Controlled dumping (for items that have low value or are unhygienic)

Alienated assets shall be written-off in the Asset Register.

Procedures and Rules

- Executive Directors shall report in writing to the Asset Management Committee on 31 October and 30 April of each financial year on all assets which they wish to alienate and the proposed method of alienation.
- The CFO shall consolidate the requests received from the various departments, and shall promptly report the consolidated information to the Asset Management Committee, recommending the process of alienation to be adopted.
- The Council shall delegate to the Asset Management Committee the authority to approve the alienation of any asset.
- The Council shall ensure that the alienation of any asset takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004. The Act states that the municipality may not alienate any asset required to provide a minimum level of service. The municipality may alienate any other asset, provided the municipality has considered the fair market value and the economic and community value to be received in exchange for the asset.
- Selling: Assets to be sold shall be sold in terms of paragraph 12.4 below.
- Supply Chain Management Unit and Disposal Committee must make sure that the auction of redundant assets is conducted at least once within a reporting period.

- Donations: Donations may be considered as a method of alienation, but such requests must be motivated to the Asset Management Committee for approval.
- Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.
- Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Asset Management Committee.
- Once the assets are alienated, the CFO shall write-off the relevant assets in the Asset Register.
- The letting of immovable property must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the relevant treasury.
- The Asset Management Committee must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of municipal property to ensure sound financial planning and management.

12.4	<u>Selling of Assets</u>
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General

Selling of assets refers to the public sale of municipal assets approved for alienation.

Policy

The selling of assets must be within the parameters laid down in the SCMP. Further must all assets earmarked for sale be sold by public auction or tender and the following steps shall be followed:

- A notice of the intention of the municipality to sell the asset shall be published in a local newspaper;
- In the case of a public auction, the municipality shall appoint an independent auctioneer to conduct the auction; and
- In the case of a tender, the prescribed tender procedures of the municipality shall be followed.

Assets earmarked for sale, shall be reclassified as Assets Held-for-Sale in terms of paragraph 6.10 of this Policy and shall not attract any further depreciation.

Sold assets shall be written-off in the Asset Register.

Procedures

- A request for assets to be sold must be submitted to the Asset Management Committee for approval. The request must be accompanied by a list of assets to be sold and the reasons for sale as described in paragraph 12.3 above.

- Assets earmarked for sale shall be reclassified as Assets Held-for-Sale.
- The Asset Management Committee may approve the engagement of auctioneers either on a quotation basis or by tender depending on the goods to be alienated.
- Bidding: Bidders are afforded the opportunity to make an offer on identifiable items. Bids are compared and the highest bidder is awarded the bid.
- Tenders: Tenders shall be invited according to the municipality's tender procedures.
- Once the assets are sold, the CFO shall write-off the relevant assets in the Asset Register.
- If the proceeds of the sales are less than the carrying value recorded in the Asset Register, such difference shall be recognised as a loss for the department or vote concerned in the Statement of Financial Performance. If the proceeds of the sales, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain for the department or vote concerned in the statement of financial performance.
- Transfer of assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

12.5 <u>Writing-off of Assets</u>

General

The write-off of assets is the process to permanently remove the assets from the Asset Register. Assets can be written-off after approval of the Asset Management Committee of a report indicating that:

- The useful life of the asset has expired;
- The asset has been destroyed;
- The asset is out dated;
- The asset has no further useful life;
- The asset does not exist anymore;
- The asset has been sold; and
- Acceptable reasons have been furnished leading to the circumstances set out above.
- The SCMP has been adhered to.

The CFO may approve the *ad hoc* writing-off of assets without prior approval of the Asset Management Committee on condition that –

- The write-offs fall after but between the next scheduled Asset Management Committee meeting and financial year end closure; and
- The Asset Management Committee is informed of the write-offs at the next scheduled Asset Management Committee meeting.

Policy

The only reasons for writing off assets, other than the sale of such assets during the process of alienation, shall be the loss, theft, destruction, material impairment, or decommissioning of the asset in question.

Procedures and Rules

- Executive Directors shall report to the CFO on 31 October and 30 April of each financial year on any assets which such Executive Director wishes to have written-off, stating in full the reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the Asset Management Committee on the assets to be written off.
- An asset, even though fully depreciated, shall be written-off only on the recommendation of the Executive Director controlling or using the asset concerned, and with the approval of the Asset Management Committee.
- In every instance where a not fully depreciated asset is written off with no proceeds for the asset being obtained, the CFO shall immediately debit to such department or vote the full carrying value of the asset concerned as impairment expenses.
- Assets that are replaced should be written-off and removed from the Asset Register.

13. Asset Physical Control

13.1 Physical Control / Verification

General

Movable assets require physical control and verification of existence.

Policy

All movable assets shall be actively controlled, including an annual verification process.

Procedures and Rules

- All movable assets, where practicable, must have a visible bar code or unique asset marking as determined by the Asset Management Committee.
- Annual verification of movable assets should be conducted under the direction of Finance. This procedure would enable the municipality to identify discrepancies and dispositions and properly investigate and record the transactions.
- Procedures should be established to adequately identify assets owned by others or subject to reclamation by donors.
- The Asset Management Committee shall co-ordinate and control regular physical checks, and all discrepancies are to be reported immediately to the Asset Management Committee.
- Registers must be kept for those assets allocated to staff members. The individuals are responsible and accountable for the assets under their control. These registers should be updated when the assets are moved to different locations or allocated to a different staff member in order to facilitate control and physical verification.
- Where a change in person in direct control of equipment takes place, a handing-over certificate shall be completed and signed by both parties concerned and a copy of this certificate must be forwarded to Finance. If surpluses or deficiencies are found, the certificates shall be dealt with as with stock-taking reports.
- If for any reason the person from whom the asset is being taken over is not available, the asset manager should assist the person taking over with the checking of the equipment and the certification of any discrepancies.
- In case of failure to comply with the requirements of a handing-over certificate, the person taking over shall be liable for any shortages, unless it can be established that the shortages existed prior to their taking over.
- Any losses of and damage to equipment, excluding discrepancies at stocktaking of losses resulting from normal handling or reasonable wear and tear, shall be reported to the Asset Management Committee.

- Independent checks from asset records shall be conducted to ensure that the assets physically exist, especially those that could be disposed of without a noticeable effect on operations.
- Yearly physical inspections of assets shall be performed to identify items which are damaged, not in use or are obsolete due to changed circumstances, to ensure that they are appropriately repaired, written off or disposed off.
- All newly acquired assets shall be delivered to / received by the procurement section where the assets will be bar-coded before dispatch to the persons who will be the custodians of the assets. Where this is not practicable, the acquired assets must be delivered to the section issuing the requisition and that section must notify the procurement section so that bar-coding or asset marking can be arranged.
- Delivery of assets by procurement staff must be to the person requiring the asset and he/she will sign a form accepting responsibility for the asset.
- The Asset Management Committee may, on request of an Executive Director, waive full physical verification and accept written confirmation from the Executive Director of infrastructure assets being verified during the course of a financial period as part of routine and/or planned maintenance and/or physical inspections. Documentation in this regard must be kept by departments and be available for inspection. The Chief Financial Officer will inform the external auditors of the Asset Management Committee's decision.

13.2 Insurance of Assets

General

Insurance provides selected coverage for the accidental loss of the asset value. Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury.

Policy

Assets that are material in value and substance shall be insured at least against destruction, fire and theft. All municipal buildings shall be insured at least against fire and allied perils.

Procedures and Rules

- The Asset Management Committee will ensure that all assets are properly insured in terms of the policy.

13.3 Safekeeping of Assets

General

Asset safekeeping is the protection of assets from damage, theft, and safety risks.

Policy

Directives for the safekeeping of assets shall be developed and the safekeeping of assets shall be actively undertaken.

Procedures and Rules

- The Asset Management Committee must issue directives that detail the safekeeping of assets.
- Executive Directors must ensure that safekeeping directives are adhered to.
- Malicious damage, theft, and break-ins must be reported to the CFO within 48 hours of its occurrence or awareness. The CFO will inform the Asset Management Committee of such occurrence.
- The Municipal Manager must report criminal activities to the South African Police Service.
- If any biological asset is lost, stolen or destroyed, the matter shall be reported in writing by the Executive Director concerned in exactly the same manner as though the asset were an ordinary asset.

14. Asset Financial Control

14.1 Borrowing Costs (GRAP 5)

General

Borrowing costs are interest and other costs incurred by the municipality from borrowed funds. The items that are classified as borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of premiums or discounts associated with such borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and foreign exchange differences arising from foreign currency borrowings when these are regarded as an adjustment to interest costs.

The capitalisation of borrowing costs should take place when borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

During extended periods in which development of an asset is interrupted, the borrowing costs incurred over that time period should be recognised as an expense when incurred. Capitalisation of borrowing costs should cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Policy

Borrowing costs shall be capitalised, if related to the construction of an asset, when the construction of an asset is expected to take a substantial period of time to get ready for its intended use or resale and an outside agency is used to finance the project.

Procedures and Rules

- The CFO should reconcile the borrowing cost to be capitalised with the amount that has been capitalised on a monthly basis.

14.2 Funding Sources

General

The Municipal Finance Management Act (MFMA) provides guidelines on how to utilise funds in financing assets (Section 19 of MFMA). The municipality shall utilise any of the following sources to acquire and / or purchase assets:

- Grants;
- Donations;

- Internally Generated Funds;
- External Loans; and / or
- Leases.

15. EFFECTIVE DATE

This policy shall be effective from 01 July 2016 upon approval by Council.

16. POLICY ADOPTION

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA MUNICIPALITY** as follows:

Resolution No:.....

Approval Date:.....

ANNEXURES

ANNEXURE A

ABBREVIATIONS

AM	Asset Management
AMS	Asset Management System
CFO	Chief Financial Officer
DM	District Municipality
EPWP	Expanded Public Work Program
GAMAP	Generally Accepted Municipal Accounting Practice
GIS	Geographical Information System
GRAP	Standards of Generally Recognised Accounting Practice
HR	Human Resource
IAM	Infrastructure Asset Management
IAMP	Infrastructure Asset Management Plan
AR	Asset Register
IAR	Infrastructure Asset Register
IAS	International Accounting Standards
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MTREF	Medium Term Revenue and Expenditure Framework
NT	National Treasury
OAG	Office of the Accountant General
LM	Local Municipality
O&M	Operation and Maintenance
SCMP	Supply Chain Management Policy

ANNEXURE B ASSET HIERARCHY

MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
10000	LAND	11000	LAND	11001	LAND DEVELOPED	0	0	
10000	LAND	11000	LAND	11002	LAND UNDEVELOPED	0	0	
20000	BUILDINGS	21000	DWELLINGS	21001	CARAVANS	5	60	
20000	BUILDINGS	21000	DWELLINGS	21002	CHILDREN'S HOMES	25	300	
20000	BUILDINGS	21000	DWELLINGS	21003	FOREIGN MISSION DWELLINGS	25	300	
20000	BUILDINGS	21000	DWELLINGS	21004	HOMES FOR THE AGED	25	300	X
20000	BUILDINGS	21000	DWELLINGS	21005	HOTELS	25	300	X
20000	BUILDINGS	21000	DWELLINGS	21006	MILITARY PERSONNEL DWELLINGS	25	300	
20000	BUILDINGS	21000	DWELLINGS	21007	MOBILE HOMES	5	60	
20000	BUILDINGS	21000	DWELLINGS	21008	PLACES OF SAFETY	25	300	X
20000	BUILDINGS	21000	DWELLINGS	21009	PRISONS AND REHABILITATION FACILITIES	25	300	X
20000	BUILDINGS	21000	DWELLINGS	21010	RESIDENCES (PRESIDENTIAL, EMBASSIES)	25	300	
20000	BUILDINGS	21000	DWELLINGS	21011	RESIDENCES (PERSONNEL) INCL GARAGES, CARPORTS AND PARKING	25	300	
20000	BUILDINGS	21000	DWELLINGS	21012	SECURE CARE CENTRES	25	300	X
20000	BUILDINGS	21000	DWELLINGS	21013	RECREATIONAL / HOLIDAY ACCOMMODATION	25	300	
20000	BUILDINGS	21000	DWELLINGS	21014	RESIDENTIAL PERIMETER PROTECTION & FENCING	10	120	
20000	BUILDINGS	21000	DWELLINGS	21015	DWELLINGS IRRIGATION SYSTEMS	15	180	
20000	BUILDINGS	21000	DWELLINGS	21016	DWELLINGS LAND SCAPING	15	180	
20000	BUILDINGS	21000	DWELLINGS	21017	HOUSING SCHEMES: FLATS	15	180	X
20000	BUILDINGS	21000	DWELLINGS	21018	HOUSING SCHEMES: HOUSES	15	180	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22001	AIRPORT AND ASSOCIATED BUILDINGS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22002	BORDER AND CUSTOM CONTROL POINTS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22003	BUS TERMINALS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22004	BUS SHELTERS	10	120	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22005	CIVIC THEATERS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22006	CLINICS AND COMMUNITY HEALTH FACILITIES	25	300	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22007	COMMUNITY CENTRES AND PUBLIC ENTERTAINMENT BUILDINGS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22008	DRIVER AND VEHICLE TESTING CENTRES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22009	FIRE STATIONS	25	300	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22010	FOREIGN MISSION OFFICES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22011	HOSPITALS AND AMBULANCE STATIONS	25	300	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22012	INDUSTRIAL BUILDINGS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22013	LABORATORIES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22014	LIBRARIES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22015	MORTUARIES	25	300	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22016	MUSEUMS AND ART GALLERIES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22017	OFFICE BUILDINGS (INCL AIR CONDITIONING SYSTEMS)	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22018	PUBLIC PARKING (COVERED AND OPEN)	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22019	POLICE STATIONS (AND ASSOCIATED BUILDINGS)	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22020	RAILWAY AND ASSOCIATED BUILDINGS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22021	RESEARCH FACILITIES (INCLUDING WEATHER)	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22022	STADIUMS	25	300	

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MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22023	TAXI RANKS	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22024	UNIVERSITIES, COLLEGES, SCHOOLS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22025	WAREHOUSES (STORAGE FACILITIES INCLUDING DATA)	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22026	SPORT AND RECREATIONAL FACILITIES (TENNIS COURTS, SOCCER FIELDS, PARKS ETC.)	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22027	NON RESIDENTIAL STRUCTURES PERIMETER PROTECTION & FENCING	10	120	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22028	ABLUTION / PUBLIC FACILITIES	25	300	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22029	CAR PORTS	10	120	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22030	WORKSHOPS / STORE ROOMS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22031	MARKETS / SHOPS	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22032	STRUCTURES FOR AGRICULTURAL PURPOSES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22033	NURSERIES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22034	CAR PARKS	30	360	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22035	CHEMICAL STORAGE ROOMS	50	600	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22036	COMMUTER SHELTERS	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22037	GUARD STATIONS	30	360	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22038	NON RESIDENTIAL STRUCTURES ACCESS AND INTERNAL ROADS GRAVEL	10	120	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22039	NON RESIDENTIAL STRUCTURES ACCESS AND INTERNAL ROADS PAVED	15	180	X
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22040	NON RESIDENTIAL STRUCTURES FITTED OUTDOOR FURNITURE AND STANDS	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22041	NON RESIDENTIAL STRUCTURES FOOTPATHS PAVED	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22042	NON RESIDENTIAL STRUCTURES IRRIGATION SYSTEMS	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22043	NON RESIDENTIAL STRUCTURES LANDSCAPING	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22044	NON RESIDENTIAL STRUCTURES OUTDOOR LIGHTS	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22045	NON RESIDENTIAL STRUCTURES PARKING AREAS GRAVEL	10	120	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22046	NON RESIDENTIAL STRUCTURES PAVED/SHADED PARKING STRUCTURES	15	180	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22047	QUARRIES	25	300	
20000	BUILDINGS	22000	NON RESIDENTIAL STRUCTURES	22048	ANIMAL CARE CENTRES	25	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31001	COOLING TOWERS	25	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31003	METERS PREPAID	10	120	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31004	METERS CREDIT	25	300	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31005	POWER STATIONS COAL	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31006	POWER STATIONS GAS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31007	POWER STATIONS HYDRO	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31008	POWER STATIONS NUCLEAR	60	720	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31009	LV OVERHEAD SERVICE CONNECTIONS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31010	LV UNDERGROUND SERVICE CONNECTIONS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31011	LV HOUSE CONNECTIONS DISTRIBUTION/PILLAR BOXES	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31012	LV OVERHEAD LINES	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31013	LV UNDERGROUND CABLES	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31014	MV SUBSTATION SWITCHGEAR	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31015	MV SUBSTATION EQUIPMENT OUTDOOR	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31016	SUBSTATION EQUIPMENT GIS	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31017	SUBSTATION EQUIPMENT INDOOR	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31018	MV SWITCHING STATION PANELS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31019	TELEMETRY	7	84	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31020	ELECTRICITY PERIMETER PROTECTION	10	120	X

MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31021	HIGH MAST LIGHTS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31022	MINIATURE SUB STATIONS	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31023	HV AUXILIARIES AND BATTERIES	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31024	HV BREAKERS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31025	HV BUSBARS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31026	HV CAPACITOR BANK	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31027	HV CURRENT TRANSFORMERS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31028	HV EARTH SWITCHES	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31029	HV FEEDER BAYS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31030	HV GIS BAY	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31031	HV ISOLATORS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31032	HV OVERHEAD LINES (>22kV)	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31033	HV REACTORS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31034	HV SUBSTATION (>22kV) BUILDINGS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31035	HV SUBSTATION (>22kV) GRAVEL PER BAY	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31036	HV SUBSTATION (>22kV) STEEL STRUCTURES PER BAY	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31037	HV SUBSTATION (>22kV) TRENCHING PER BAY	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31038	HV SURGE ARRESTORS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31039	HV TRANSFORMER BAYS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31040	HV TRANSFORMERS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31041	HV UNDERGROUND CABLES (>22kV)	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31042	HV VOLTAGE TRANSFORMERS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31043	MV OVERHEAD LINES	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31044	MV SWITCHGEAR	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31045	MV SUB/SWITCHING STATION AUXILIARIES AND BATTERIES	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31046	MV SUB/SWITCHING STATION BUILDINGS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31047	MV UNDERGROUND CABLES	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31048	NEC/NER	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31049	POLE MOUNTED TRANSFORMER SUBSTATION	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31050	PREPAID VENDING MACHINES	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	31000	ELECTRICITY NETWORK	31052	MV TRANSFORMERS	45	540	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32101	BRIDGES VEHICLE CONCRETE	80	960	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32102	BRIDGES VEHICLE STEEL	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32103	BRIDGES VEHICLE TIMBER	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32104	BRIDGES PEDESTRIAN CONCRETE	80	960	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32105	BRIDGES PEDESTRIAN STEEL	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32106	BRIDGES PEDESTRIAN TIMBER	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32107	BRIDGES RAILWAY CONCRETE	80	960	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32108	BRIDGES RAILWAY STEEL	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32109	BRIDGES RAILWAY TIMBER	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32110	BRIDGES REINFORCED RETAINING WALLS EARTH	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32111	BRIDGES REINFORCED RETAINING WALLS CONCRETE	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32112	BRIDGES EXPANSION AND CONSTRUCTION JOINTS	20	240	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32201	STORM WATER CULVERTS CONCRETE	60	720	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32202	STORM WATER CULVERTS ARCO	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32203	STORM WATER DRAINS EARTHWORKS	80	960	X

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MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32204	STORM WATER DRAINS CONCRETE LINING	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32205	STORM WATER STOP BANKS	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32206	STORM WATER PIPES	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32207	STORM WATER COASTAL STRUCTURE	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32208	STORM WATER COASTAL PIERS	60	720	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32209	STORM WATER COASTAL OUTFALLS	60	720	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32210	STORM WATER ATTENUATION PONDS	20	240	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32211	STORM WATER OPEN CHANNELS LINED	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32212	STORM WATER OPEN CHANNELS UNLINED	10	120	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32213	STORM WATER PUMP STATIONS BUILDINGS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32214	STORM WATER PUMP STATIONS CIVIL WORKS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32215	STORM WATER PUMP STATIONS ELECTRICAL	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32216	STORM WATER PUMP STATIONS MECHANICAL	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORM WATER NETWORK	32217	STORM WATER PUMP STATIONS PERIMETER PROTECTION AND FENCING	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32301	ROADS MUNICIPAL ASPHALT SURFACE	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32302	ROADS MUNICIPAL BASE STRUCTURE	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32303	ROADS MUNICIPAL CONCRETE SURFACE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32305	ROADS MUNICIPAL GRAVEL SURFACE	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32306	ROADS NATIONAL ASPHALT SURFACE	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32307	ROADS NATIONAL ASPHALT BASE STRUCTURE	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32308	ROADS NATIONAL CONCRETE SURFACE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32310	ROADS NATIONAL GRAVEL SURFACE	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32311	ROADS PROVINCIAL ASPHALT SURFACE	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32312	ROADS PROVINCIAL ASPHALT BASIS/STRUCTURE	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32313	ROADS PROVINCIAL CONCRETE SURFACE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32315	ROADS PROVINCIAL GRAVEL SURFACE	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32316	ROADS PAVED SURFACE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32401	ROADS KERB AND CHANNELS	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32402	ROADS CRASH BARRIERS	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32403	ROADS RETAINING WALLS EARTH	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32404	ROADS OVERLOAD CONTROL CENTRES	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32405	ROADS OVERLOAD ELECTRONIC HARDWARE	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32406	ROADS OVERLOAD EQUIPMENT OTHER	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32407	ROADS PEDESTRIAN FOOTPATHS CONCRETE	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32408	ROADS STREET LIGHTING	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32409	ROADS SUBWAYS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32410	ROADS TRAFFIC ISLANDS	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32411	ROADS TRAFFIC LIGHTS	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32412	ROADS TRAFFIC LIGHTS COASTAL	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32413	ROADS TRAFFIC SIGNS	5	60	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32414	ROADS TOLL ROAD PLAZAS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32415	ROAD CALMING MEASURES	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32416	ROAD PERIMETER PROTECTION	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32417	ROAD RESERVES	0	0	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32418	ROADS MAJOR CULVERTS	50	600	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32419	ROADS OVERHEAD GANTRIES	80	960	

MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32420	ROADS PEDESTRIAN FOOTPATHS BRICKED	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32421	ROADS RETAINING WALLS CONCRETE	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32422	ROADS RETAINING WALLS CONSTRUCTION AND EXPANSION JOINTS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32423	ROADS CONCRETE BOLLARDS	5	60	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32424	ROADS PARKING METERS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32425	ROADS FURNITURE OTHER	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33001	AIRPORTS AND RADIO BEACONS	25	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33002	APRONS	25	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33003	RUNWAYS	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33004	TAXIWAYS	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33005	SPECIALIZED EQUIPMENT LUGGAGE MOVEMENT	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33006	SPECIALIZED EQUIPMENT COMMUNICATION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	33000	AIRPORTS	33007	AIRPORT PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34001	WATER METERS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34002	STANDPIPES	5	60	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34003	WATER METALWORK	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34004	WATER SUPPLY / RETICULATION	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34005	WATER TELEMETRY	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34006	WATER PIPES	5	60	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34101	DAMS STRUCTURE CONCRETE	80	960	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34102	DAMS STRUCTURE EARTH	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34103	DAMS ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34104	DAMS MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34201	PUMP STATIONS STRUCTURE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34202	PUMP STATIONS ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34203	PUMP STATIONS MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34204	PUMP STATIONS PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34301	RESERVOIR STRUCTURE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34302	RESERVOIR ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34303	RESERVOIR MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34304	RESERVOIR PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34401	UNDERGROUND CHAMBERS VALVES	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34402	UNDERGROUND CHAMBERS METERS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34403	UNDERGROUND CHAMBERS TRANSITION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34404	UNDERGROUND CHAMBERS OTHER	5	60	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34501	WATER PURIFICATION WORKS STRUCTURE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34502	WATER PURIFICATION WORKS ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34503	WATER PURIFICATION WORKS MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34504	WATER PURIFICATION WORKS PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34505	WATER PURIFICATION WORKS METERS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34601	BOREHOLE STRUCTURE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34602	BOREHOLE MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	34000	WATER NETWORK	34701	BULK WATER METERS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35100	SEWERS / RETICULATION	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35101	BULK PIPELINES RISING MAINS	40	480	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35102	BULK PIPELINES GRAVITY MAINS	40	480	X

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MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35103	SEWERAGE / WASTE PIPES	2	24	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35201	SEWERAGE PUMP STATIONS STRUCTURE	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35202	SEWERAGE PUMP STATIONS ELECTRICAL	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35203	SEWERAGE PUMP STATIONS MECHANICAL	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35204	SEWERAGE PUMP STATIONS PERIMETER PROTECTION	10	120	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35301	WASTE WATER PURIFICATION WORKS STRUCTURE	30	360	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35302	WASTE WATER PURIFICATION WORKS ELECTRICAL	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35303	WASTE WATER PURIFICATION WORKS MECHANICAL	15	180	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35304	WASTE WATER PURIFICATION WORKS PERIMETER PROTECTION	10	120	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	35000	SEWERAGE NETWORK	35305	WASTE WATER PURIFICATION WORKS METERS	10	120	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36001	COLLECTION VEHICLES	10	120	X
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36002	COLLECTION CONTAINERS COMMUNITY BINS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36101	TRANSFER STATIONS AND PROCESSING FACILITIES STRUCTURES	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36102	TRANSFER STATIONS AND PROCESSING FACILITIES ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36103	TRANSFER STATIONS AND PROCESSING FACILITIES MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36104	TRANSFER STATIONS AND PROCESSING FACILITIES PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36201	LANDFILL SITE EARTHMOVING AND COMPACTION EQUIPMENT	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36202	LANDFILL SITE PREPARATION	0	0	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36203	LANDFILL SITE STRUCTURES	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36204	LANDFILL SITE WEIGHBRIDGE MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36205	LANDFILL SITE WEIGHBRIDGE ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36206	LANDFILL SITE PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36207	COLLECTION CONTAINERS SKIPS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	36000	SOLID WASTE DISPOSAL	36208	COLLECTION CONTAINERS WHEELIE BINS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37001	RAILWAY POWER SUPPLY UNITS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37002	RAILWAY SIDINGS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37003	RAILWAY TRACKS	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37004	RAILWAY SIGNALING SYSTEM	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37005	RAILWAY SHUNTING YARDS	25	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	37000	RAILWAYS	37006	RAILWAY PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38001	GAS SUPPLY SYSTEMS STRUCTURE	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38002	GAS SUPPLY SYSTEMS ELECTRICAL	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38003	GAS SUPPLY SYSTEMS MECHANICAL	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38004	GAS SUPPLY SYSTEMS PERIMETER PROTECTION	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38005	GAS SUPPLY SYSTEMS STATION TRUNK RECEIVING	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38006	GAS SUPPLY SYSTEMS STATION DISTRICT REGULATING	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38007	GAS SUPPLY SYSTEMS MAINS / PIPELINE	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38008	GAS SUPPLY SYSTEMS METERS	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38009	GAS SUPPLY SYSTEMS SUPPLY / RETICULATION	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	38000	GAS SUPPLY SYSTEMS	38010	GAS SUPPLY SYSTEMS STORAGE FACILITIES	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	39000	CEMETERIES	39001	CEMETERIES	25	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	39000	CEMETERIES	39002	CEMETERIES PERIMETER PROTECTION	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41001	AUDIOVISUAL EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41002	BUILDING AIR CONDITIONING SYSTEMS	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41003	CELLULAR PHONES	0	0	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41004	CELLULAR ROUTERS	3	36	

MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41005	DOMESTIC EQUIPMENT (NON KITCHEN APPLIANCES)	3	36	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41006	ELECTRIC WIRE AND POWER DISTRIBUTION EQUIPMENT (COMPRESSORS / GENERATORS)	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41007	EMERGENCY / RESCUE EQUIPMENT	5	60	X
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41008	ELEVATOR SYSTEMS	15	180	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41009	FARM / AGRICULTURAL EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41010	FIRE FIGHTING EQUIPMENT	3	36	X
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41011	GARDENING EQUIPMENT	2	24	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41012	IRRIGATION EQUIPMENT	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41013	KITCHEN APPLIANCES	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41014	LABORATORY EQUIPMENT AGRICULTURAL	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41015	LABORATORY EQUIPMENT MEDICAL TESTING	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41016	LABORATORY EQUIPMENT ROADS AND TRANSPORT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41017	LAUNDRY EQUIPMENT AND INDUSTRIAL SEWING MACHINES	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41018	LEARNING, TRAINING SUPPORT AND LIBRARY MATERIAL	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41019	MACHINES FOR METALLURGY	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41020	MACHINES FOR MINING AND QUARRYING	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41021	MACHINES FOR TEXTILE PRODUCTION	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41022	MEDICAL AND ALLIED EQUIPMENT	5	60	X
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41023	MUSIC INSTRUMENTS	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41024	PHOTOGRAPHIC EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41025	PUMPS, PLUMBING, PURIFICATION, SANITATION AND ALLIED EQUIPMENT	5	60	X
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41026	RADIO EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41027	ROAD CONSTRUCTION AND MAINTENANCE EQUIPMENT	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41028	SADDLES AND OTHER TACK	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41029	SECURITY EQUIPMENT/ - SYSTEMS / - MATERIAL FIXED	3	36	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41030	SECURITY EQUIPMENT/ - SYSTEMS / - MATERIAL MOVABLE	3	36	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41031	SHIP AND MARINE EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41032	SPORTS AND RECREATIONAL EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41033	SURVEY EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41034	TELECOMMUNICATION EQUIPMENT	3	36	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41035	TENTS, FLAGS AND ACCESSORIES	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41036	WOODWORKING MACHINERY AND EQUIPMENT	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41037	WORKSHOP EQUIPMENT AND LOOSE TOOLS FIXED	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41038	WORKSHOP EQUIPMENT AND LOOSE TOOLS MOVABLE	3	36	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41039	FIRE ARMS	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41040	GRADERS	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41041	LAWNMOWERS	2	24	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41042	MECHANICAL HORSES	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41043	TRACTORS	5	60	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41044	SECURITY & ACCESS CONTROL UNITS	10	120	
40000	OTHER	41000	MACHINERY AND EQUIPMENT	41045	PLAYGROUND EQUIPMENT	12	144	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42001	ADVERTISING BOARDS	3	36	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42002	AIR CONDITIONERS INDIVIDUAL FIXED AND MOVABLE	3	36	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42003	CUTLERY AND CROCKERY	5	60	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42004	DOMESTIC AND HOSTEL FURNITURE	10	120	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42005	LINEN AND SOFT FURNISHING	5	60	

1. DEFINITIONS

In this policy, unless the context indicates otherwise, a word or expression, to which a meaning has been assigned in the Municipal Finance Management Act (MFMA) No. 56 of 2003, has the same meaning.

“Accounting Officer” it means Municipal Manager of KwaDukuza Local Municipality or his/ her delegate.

“GRAP” means the Generally Recognised Accounting Standards.

“IDP” it's a shortened name for Integrated Development Plan.

“MFMA” it's a shortened name for Municipal Finance Management Act, Act 56 of 2003.

“Municipality” for the purpose of this policy it means KwaDukuza Local Municipality.

2. INTRODUCTION

- 2.1 Financial Management is the cornerstone of any organisation. Controls and policies must be in place to achieve sound financial management. Over the first year of the 5-year plan, financial regulations and policies must be reviewed to ensure all legal, internal control and social requirements are met. Implementing the projects included in the 5-year plan will require large capital investment, which in turn requires effective management and control.
- 2.2 KwaDukuza Municipality has to recognise that to be successful the IDP must be linked to workable financial plans which include a multiyear budget.
- 2.3 A long-term financial planning is prepared for a period of at least three years, however it is preferred that it should be for over a period of five or more years.
- 2.4 The long-term financial planning will also ensure that the Municipality has greater financial health and sustainability, making it easier to collaborate on projects with other levels of Government and various public and private stakeholders. This will further enhance the ability of the Municipality to have access to more financing, funding and grants.

3. PURPOSE

- 3.1 The purpose of this policy is to outline the comprehensive long-term financial planning that will ensure long-term financial sustainability for the Municipality.
- 3.2 A long-term financial planning is essential to ensure that the Municipality continues to implement its mandate effectively without impairing its capital base. It will also enable the Municipality to move towards self-sufficiency in meeting the growing demands of Service Delivery and infrastructure requirements.
- 3.3 A long-term financial planning is important by identifies and prioritises expected needs based on the Municipality's Five-Year Integrated

Development Plan and details estimated amounts of funding various sources.

4. FINANCIAL STRATEGY FRAMEWORK

The priority for the Municipality, from the financial perspective is to ensure viability and sustainability of the Municipality. The long-term financial planning and related strategies will therefore need to address a number of key areas in order to achieve this priority. These strategies are detailed below:

4.1 Revenue enhancement strategy:

- a) To seek alternative sources of funding.
- b) Expand Income base through implementation of new Valuation Roll.
- c) The ability of the Community to pay for services.
- d) Identification and pursuance of Government Grants.
- e) Tightening Credit Control measures and Debt Collection Targets.
- f) Improve customer relations and promote a culture of payment.
- g) Realistic Revenue estimates.
- h) The impact of inflation, the Municipal cost index and other cost increases;
- i) The creation of an environment which enhances growth, development and service delivery.

4.2 Asset Management Strategy:

- a) The implementation of a GRAP compliant Asset Management System.
- b) Adequate Budget provision for Asset Maintenance over their economic lifespan.
- c) Maintenance of asset according to an Infrastructural Asset Management Plan.
- d) Maintain a system of internal control of assets to safeguard assets.
- e) Ensure all assets owned and control except specific exclusions are covered by insurance.

4.3 Financial Management Strategies:

- a) To maintain an effective system of Expenditure control including procedures for the approval, authorization, withdrawal and payment of funds.
- b) Preparation of the Risk Register and application of Risk Control.
- c) Implement controls, procedures, policies and by-law to regulate fair, just and transparent transaction.
- d) Training and development of Senior Financial staff to comply with prescribed minimum competency level.
- e) Implement GRAP standards as gazette by National Treasury.
- f) Prepare annual financial statement timeously and review performance and achievements for past financial years.

4.4 Operational Financing strategies:

- a) Effective cash flow management to ensure continuous, sufficient and sustainable cash position.
- b) Enhance budgetary controls and financial reporting.
- c) Direct available financial resources towards meeting the projects as identified in the IDP.
- d) To improve Supply Chain Management processes in line with regulations.

MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42006	OFFICE EQUIPMENT INCLUDING FAX MACHINES	5	60	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42007	OFFICE FURNITURE	5	60	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42008	PAINTINGS SCULPTURES ORNAMENTS	5	60	
40000	OTHER	42000	FURNITURE AND OFFICE EQUIPMENT	42009	FIXTURES & FITTINGS	5	60	
40000	OTHER	43000	COMPUTER EQUIPMENT	43001	COMPUTER HARDWARE INCLUDING OPERATING SYSTEMS	3	36	
40000	OTHER	43000	COMPUTER EQUIPMENT	43002	COMPUTER NETWORKS	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44001	AIRCRAFT	10	120	
40000	OTHER	44000	TRANSPORT ASSETS	44002	AIRCRAFT ENGINES	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44003	AIRPORT TRANSPORT & ASSOCIATED EQUIPMENT	10	120	
40000	OTHER	44000	TRANSPORT ASSETS	44004	BUSES	10	120	
40000	OTHER	44000	TRANSPORT ASSETS	44005	BICYCLES	4	48	
40000	OTHER	44000	TRANSPORT ASSETS	44006	EMERGENCY VEHICLES	5	60	X
40000	OTHER	44000	TRANSPORT ASSETS	44007	MOBILE CLINICS & LIBRARIES	10	120	
40000	OTHER	44000	TRANSPORT ASSETS	44008	MOTOR VEHICLES	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44009	RAILWAY ROLLING STOCK	10	120	
40000	OTHER	44000	TRANSPORT ASSETS	44010	SHIPS	15	180	
40000	OTHER	44000	TRANSPORT ASSETS	44011	SHIPS ENGINES	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44012	TRAILERS AND VEHICLE ACCESSORIES	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44013	TRUCKS	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44014	BAKKIES	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44015	MOTOR CYCLES	3	36	
40000	OTHER	44000	TRANSPORT ASSETS	44016	TIPPERS	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44017	WATERCRAFT	5	60	
40000	OTHER	44000	TRANSPORT ASSETS	44018	VEHICLE ACCESSORIES	5	60	X
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51001	AREAS OF LAND OF HISTORIC OR SPECIFIC SIGNIFICANCE	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51002	CULTURALLY SIGNIFICANT BUILDINGS	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51003	NATIONAL MONUMENTS	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51004	NATIONAL PARKS / RESERVES	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51005	PAINTINGS	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51006	SCULPTURES / STATUES	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51007	MUNICIPAL JEWELLERY	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51008	WORKS OF ART	0	0	
50000	HERITAGE ASSETS	51000	HERITAGE ASSETS	51009	OTHER ANTIQUES AND COLLECTIONS	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61001	DAIRY CATTLE	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61002	FEATHERED ANIMALS	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61003	FORESTS AND PLANTATIONS	20	240	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61004	FRUIT TREES	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61005	GAME	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61006	ANIMALS FOR REPRODUCTION	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61007	ANIMALS FOR WOOL OR MILK	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61008	DOGS LAW ENFORCEMENT AND SECURITY	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61009	HORSES LAW ENFORCEMENT AND WORKING	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61010	PLANTS FOR PRODUCTION OF SEEDS	0	0	
60000	BIOLOGICAL OR CULTIVATED ASSETS	61000	BIOLOGICAL OR CULTIVATED ASSETS	61011	VINES	0	0	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71001	CAPITALIZED DEVELOPMENT COST	5	60	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71002	COMPUTER SOFTWARE	2	24	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71003	MASTHEADS AND PUBLISHING TITLES	5	60	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71004	PATENTS, LICENSES, COPYRIGHTS, BRAND NAMES AND TRADEMARKS	5	60	

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MAJOR_G CODE	MAJOR GROUP	MINOR_G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALITY
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71005	RECIPES, FORMULAE, PROTOTYPES, DESIGNS AND MODELS	5	60	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71006	SERVICE AND OPERATING RIGHTS	5	60	
70000	INTANGIBLE ASSETS	71000	INTANGIBLE ASSETS	71007	WATER RIGHTS	10	120	
80000	INVESTMENT PROPERTY	81000	INVESTMENT PROPERTY LAND	81001	INVESTMENT PROPERTY LAND	0	0	
80000	INVESTMENT PROPERTY	81000	INVESTMENT PROPERTY BUILDINGS	81002	INVESTMENT PROPERTY BUILDINGS	0	0	



KwaDukuza
Municipality

(“THE MUNICIPALITY”)

POLICY ON LONG-TERM FINANCIAL PLANNING

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4.5 Capital Funding Strategies:

- a) Ensure service delivery needs are in line with Long-term Financial Planning.
- b) Careful consideration / prioritisation on utilising resources in line with the IDP.
- c) Analyse feasibility and impact on operating budget before capital projects are approved.
- d) Determine affordable limits for borrowing.
- e) Source external funding in accordance with affordability.
- f) Improve capital budget spending.
- g) Maximising of infrastructural development through the utilisation of all available resource.

4.6 Cost effective Strategy:

- a) Invest surplus cash not immediately required at the best available rates.
- b) Restrict capital and operating expenditure increase in relation to the inflation rate taking into consideration the macro growth limit guideline and Municipal cost increase.
- c) To remain as far as possible within the following selected key budget assumptions:
 - i. Provision of bad debts of at least 2%.
 - ii. Overall cost escalation to be linked to the average inflation rates.
 - iii. Tariff increase to be in line with inflation plus Municipal growth except when regulated.
 - iv. Utilisation of Equitable Share for indigent support through Free Basic Services.
 - v. Maintenance of assets of at least 6% of total operating expenditure.
 - vi. Capital cost to be in line with the acceptable norm of 18%

4.7 Measurable Performance Objective for revenue:

- a) To maintain the Debtors to revenue ratio below 10%.
- b) To maintain a Debtors payment rate of above 90%.
- c) To ensure that the Debtors return remain under 40 days.
- d) To keep the Capital cost on the Operating Budget less than 18%.

5. FINANCIAL MANAGEMENT POLICIES

The purposes of Financial Policies are to provide a sound environment to manage the financial affairs of the Municipality. The following are key budget related policies:

5.1 Tariffs Policy

Tariffs Policy prescribes the procedures for calculating tariffs charged to the consumers. This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000.

5.2 Rates Policy

Rates Policy required by the Municipal Property Rates Act, Act 6 of 2004. This Policy provides the framework for the determination of property rates.

5.3 Indigent Support Policy

This policy is to ensure that the Municipality is providing and regulate access to free basic to all registered indigents.

5.4 Budget Policy

Budget Policy set out the principles which must be followed in preparing Medium Term Revenue and Expenditure Framework Budget. It further ensures that the Budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

5.5 Asset Management Policy.

The objective of Asset Management Policy is to prescribe the accounting and administrative procedures relating to the property, plant and equipment.

5.6 Accounting Policy

The Accounting policy describes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognised Accounting Practices (GRAP) and Accounting Standards.

5.7 Supply Chain Management Policy

SCM Policy is developed in terms of Section 111 of the MFMA Act 56 of 2003. The principles of this Policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of Municipal Services.

5.8 Subsistence and Travel Policy

The S&T Policy regulates the reimbursement of travelling and subsistence costs to officials and Councilors attending official business.

5.9 Credit Control and Debt Collection Policy.

This Policy provides for Credit and Debt Collection Procedures and mechanisms to ensure that all consumers pay for the services that are supplied by the Municipality.

5.10 Cash Management, Banking and Investment Policy.

This Policy must be established in terms of section 13 of MFMA act 56 of 2003 and Municipal Investment Regulation R308 to ensures that cash resources are managed in the most efficient and effective manner possible.

5.11 Insurance Policy.

The objective of insurance policy is to ensure the safe-guarding of Municipality's owned assets.

6. REVENUE

- 6.1 In order for the Municipality to serve the Community and to render the services needed, revenue generation is fundamental to financial sustainability of every municipality.
- 6.2 The Municipality must table a balanced and more credible Budget, based on realistic estimation of revenue that is consistent with the budgetary resources and collection experience.
- 6.3 The Municipality derives its revenue from the provision of services such as electricity, cleansing and solid waste. A considerable portion of the Revenue is also derived from property rates and grants by National Governments as well as other minor charges such as traffic fines

7. GENERAL PROVISIONS

7.1 Commencement:

This Policy will come into effect on the date of adoption by the Council of the KwaDukuza Local Municipality.

7.2 Interpretation of this policy:

- i. All words contained in this policy shall have the ordinary meaning attached thereto, unless the definition or context indicates otherwise.
- ii. The dispute on interpretation of this policy shall be declared in writing by any party concerned.
- iii. Municipal Manager shall give a final interpretation of this policy in case of written dispute.

7.3 Permanent/temporary waiver or suspension of this policy:

- i. This policy may be partly or wholly waived or suspended by KwaDukuza Local Municipality on temporary or permanent basis.

7.4 Compliance and enforcement:

- i. Violation of or non-compliance with this policy will give a just cause of disciplinary steps to be taken by KwaDukuza Local Municipality.
- ii. It will be the responsibility of the Accounting Officer or his/her delegated official to enforce compliance with this policy.

7.5 Amendment and /or abolition of this policy:

This policy maybe amended or repealed by KwaDukuza Local Municipality as it may deem necessary to do so.

8. POLICY ADOPTION

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Board Resolution No:.....

Approval Date:.....



("The Municipality")

**POLICY ON INFRASTRUCTURE
INVESTMENT AND CAPITAL
PROJECTS**

INDEX

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1. DEFINITIONS

"Municipality" means Kwadakuza Local Municipality

"MFMA" means the Municipal Financial Management Act (Act No 56 of 2003).

"CFO" means the Chief Financial officer of the Municipality.

"Accounting Officer" means the Municipal Manager of the Municipality.

"MIG" Municipal Infrastructure Grant

2. INTRODUCTION

Municipalities are responsible for **providing infrastructure services** to all of its communities, industries, and other consumers in its area of jurisdiction. One of the key areas of delivery for government has been in supplying new infrastructure to meet the backlog in the provision of basic services and broadening the service delivery foot print across the country while keeping abreast of growth and migratory patterns within the society. However, today there is a need to ensure that these services will be sustainable in the future, and that the necessary institutional, financial and technical measures are in place to achieve this goal. This document provides a brief overview of tools aimed at assisting municipalities in achieving these goals by integrating them into a single planning vehicle.

3. OBJECTIVES OF THIS POLICY

The objectives of this policy are to:

- (a) Ensure that the municipality are able to deliver the levels of service needed for health and safety.
- (b) Enable the municipality to improve existing service levels.
- (c) Suggest how the municipality might structure investment in a manner that promotes economic development.
- (d) Encourage the municipality to locate investment in infrastructure with a view to integrating previously disadvantaged and rural communities.
- (e) Promote the infrastructure which is environmentally sustainable.

- (f) Ensure that requirements with regards to MIG and the latest Division of Revenue Bill are compiled with.

4. **KEY ISSUES TO BE MET**

It is the municipality's responsibility to provide all of its communities with the necessary infrastructure services for energy, access and transport, and solid waste, as well as ensure that other key services (e.g. education, health, sports and recreation, and community services) are planned in collaboration with the relevant service providers. This calls for the following actions:

- (a) Ensuring that the necessary **infrastructure assets** are provided, operated and maintained (i.e. addressing their full life cycle).
- (b) Ensuring that the necessary **funding** is available for the total costs involved over the full extent of the life cycle of the assets, by collecting revenue from consumers and utilizing available grant funds, and providing the required operating and capital funds to achieve the goals.
- (c) Ensuring that an **institutional model** exists for providing the necessary skills, processes and procedures to manage the assets.
- (d) Ensuring that the necessary **bulk supplies** (e.g. for electricity, as well as maintenance capacity) are available.
- (e) Ensuring that the growth needs of the municipality are addressed by considering local **economic development** initiatives, and taking cognisance of changing needs of communities while involving them in planning the provision of the above services.

5. **FINANCIAL STRATEGIES**

The implementation of the following financial strategies will enhance the future financial sustainability of the municipality.

5.1 Capital Financing Strategy

- (a) Dedicate a particular person to the function of raising grants, identify, establish, maintain, and update database of all grant funders, and undertake project feasibility studies and project plans.
- (b) Approach funding organisations with business plans and the financial Plan.
- (c) Liaise with the District Municipality to set up a separate bank account for each local municipality so that the interest earned on grants received for each municipality is accounted for separately.
- (d) Ensure that all requirements with regards to MIG and DORA or any other legislation are complied with as per the Division of Revenue Act and MIG requirements found on the [http: //www.dplg.gov.za/subwebsites/mig/index.html](http://www.dplg.gov.za/subwebsites/mig/index.html) website.

5.2 Asset Management Strategy

- (a) Establish and maintain an asset register.
- (b) Update asset register regularly.

5.3 Financial Management

- (a) Formulate a timetable, capacitate the financial officer and transfer the relevant accounting skills.
- (b) Develop/review policies, procedures and bylaws.
- (c) Provide councillors with the necessary financial training so they understand the financial information that they must base their decisions on.

6. CAPITAL AND INVESTMENT PROGRAMMES

The capital and investment programmes as set out in the Capital Budget and the Cash Management, Banking, and Investment Policy

7. MULTIYEAR BUDGET (Financial Projections)

Financial projections have been developed using the capital budget to obtain the list of infrastructure projects for the budget. Various financial feasibility

studies pertaining these capital projects are performed and assessed and aligned to the IDP.

All the related studies should take in cognisance of the following:

- a) A five-year projection of the operating and capital budget reflecting the required tariff ratio increases;
- b) Funding currently available to undertake projects;
- c) Financial resources required for capital projects;
- d) Inflationary increases.

8. POLICY ADOPTION

This policy has been considered and approved by the **COUNCIL OF KWADAKUZA LOCAL MUNICIPALITY** as follows:

Board Resolution No:.....

Approval Date:.....

KWADUKUZA MUNICIPALITY

VIREMENTS POLICY

SECTIONS

CONTENTS

1. **DEFINITIONS**
 2. **ABBREVIATIONS**
 3. **OBJECTIVE**
 4. **APPLICATION OF THIS POLICY**
 5. **VIREMENT CLARIFICATION**
 6. **FINANCIAL RESPONSIBILITY**
 7. **VIREMENT RESTRICTIONS**
 8. **VIREMENT PROCEDURE**
 9. **SUPPLEMENTARY**
- APPENDIX "A" CLASSIFICATION**
- APPENDIX "B" ITEM CLASSIFICATION**
- APPENDIX "C" REQUEST FOR VIREMENT**

1. DEFINITIONS

- | | |
|--|--|
| 1.1 Accounting Officer | - means the Municipal Manager of a KwaDukuza Municipality is the Accounting Officer of the municipality in terms of section 60 of the MFMA, no 56 of 2003. |
| 1.2 Municipality | - refers to KwaDukuza Municipality |
| 1.3 Approved Budget | - means an annual budget approved by a Municipal Council. |
| 1.4 Budget Related Policy | - means a policy of a municipality affecting or affected by the annual budget of the municipality. |
| 1.5 Chief Financial Officer | - means the Chief Financial Officer of KwaDukuza Municipality a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms section 79 of the MFMA be delegated by the Accounting Officer to the Chief Financial Officer. |
| 1.6 Capital Budget | - This is the estimated amount for capital items in a given financial period. Capital items are fixed assets such as Property, Plant and Equipment, the cost of which is normally written off over a number of financial periods. |
| 1.7 Council | - means the Council of KwaDukuza a Municipality referred to in section 18 of the Municipal Structures Act, no. 117 of 1998. |
| 1.8 Financial Year | - means a 12 month period ending 30 June. |
| 1.9 Line Item | - an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures. (see annexure B for current item structure) |
| 1.10 Operating Budget | - The Municipalities Financial Plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them. |
| 1.11 Ring-Fenced | - means an exclusive combination of line items grouped for specific purposes; for instance, employment costs. |
| 1.12 Service Delivery and Budget Implementation Plan | - means a detailed plan approved by the Mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget. |
| 1.13 Virement | - is the process of transferring an approved budget allocation from one operating line item or capital project to another, |

YES

with the approval of the relevant Executive Director. To enable budgets to be amended in the light of experience or to reflect anticipated changes.

1.14 **Vote**

– means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different Departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the Department or functional area concerned. (see annexure A)

1.15 **Executive Director**

– employed in terms of Section 57 of the MSA. He/ She is directly accountable to the Municipal Manager

2. **Abbreviations**

- 2.1 **Chief Financial Officer** – Chief Financial Officer
- 2.2 **IDP** – Integrated Development Plan
- 2.3 **MFMA** – Municipal Finance Management Act No.56 of 2003
- 2.4 **SDBIP** – Service Delivery Budget Implementation Plan
- 2.5 **CM** – Council Minutes

3. **OBJECTIVE**

- 3.1 To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

4. **Application of This Policy**

- 4.1 This Policy applies only to transfers between line items within votes of the Municipality's operating and capital budget.

- 4.2 Section 28(2) (d) read together with section 69 of the MFMA provides that *"An adjustments budget...may authorise the utilisation of projected savings in one vote towards spending in another vote."* Transfers between votes may therefore be authorised only by the Council of the Municipality.
- 4.3 This Policy shall not apply to transfers between or from capital projects or items and no such transfers may be performed under this Policy.
- 4.4 Any deviation from or adjustment to an annual budget or transfer within a budget which is not specifically permitted under this Policy or any other policy may not be performed unless approved by the Council through an adjustments budget.

5 VIREMENT CLARIFICATION

Virement is the process of transferring budgeted funds from one line item to another, with the approval of the relevant Executive Director and Chief Financial Officer, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

6 FINANCIAL RESPONSIBILITY

- 6.1 Strict budgetary control must be maintained throughout the financial year so that potential overspends and /or income under- recovery, within individual vote Departments, are identified at the earliest possible opportunity. (Section 100 of the MFMA refers).
- 6.2 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) of the MFMA refers).
- 6.3 It is the responsibility of the Executive Director of each Department, to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any unauthorised; irregular or fruitless and wasteful expenditure, in terms of section 78 and 102 of the MFMA.

7 VIREMENT RESTRICTIONS

- 7.1 No funds may be viremented between Departments.
- 7.2 Operating Virements may be approved by the Chief Financial Officer , provided it is below the lower of 25% of the line item or R 100 000. Virements may be approved by the Accounting Officer provided that it is below the lower of 25% of the line item or R 200 000. Any virement request in excess of the lower of 25% of the line item or R 200 000 may only be approved by the Municipal Council. The 25% threshold does not apply to a line item wherein the 25% equates to less than R 50 000.
- 7.3 Capital Virements will be subject to the same processes as outlined above.
- 7.4 In the case of an emergency requiring a virement in excess of R 200 000 or the 25% threshold set above , the Executive Committee may grant authority.
- 7.5 If unforeseen or unavoidable expenditure is incurred for which that has been no budgetary provision, Sections 71, 72, 73 of the Municipal Budget and Reporting Regulations, April 2009 shall apply.
- 7.6 A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (Section 19 and 21 of the MFMA refers).
- 7.7 Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget to Council, with altered outputs and measurements, for approval. (NT Circular 13 page 3 paragraph 3 refers).
- 7.8 No virement may commit the municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of Council.
- 7.9 This refers to expenditures such as entering into lease or rental agreements such as vehicles, photo copiers or fax machines.
- 7.10 No virement may be made where it would result in over-expenditure from the transferred vote. (Section 32 of the MFMA refers).
- 7.11 If the virement relates to an increase in the workforce establishment, then the Council's existing recruitment policies and procedures will apply.
- 7.12 Virements may not be made in respect of ring- fenced allocations.
- 7.13 Budget may not be transferred from Departmental Charges, Charge out allocations or Grant expenditure and Income votes. This will be done via a Section 28 Adjusting Budget Process.
- 7.14 Budget may only be transferred from Salaries if approved by the Chief Financial Officer. Cannot transfer to salaries, catering

- 7.15 Virements in Capital Budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications. Virements should not result in adding “NEW” projects to the Capital Budget provided that it is first submitted and approved by council and such item is reflected in the municipal IDP.
- 7.16 Virements from the Capital Budget to the Operating Budget and vice versa, is not permissible.
- 7.17 No virement proposal shall affect amounts to be paid to another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 of the MFMA refers).
- 7.18 Virements amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 of the MFMA refers).
- 7.19 An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the supply chain management policy of Council as periodically reviewed.
- 7.20 Virements may not be made between Expenditure and Income.

8 VIREMENT PROCEDURE

- 8.1 All virement proposals must be completed on the appropriate documentation (APPENDIX C) and forwarded to the relevant Finance Department official for checking and implementation.
- 8.2 All virements must be signed by the vote-holder (per Department) and the Manager within which the vote is allocated. (Section 79 of the MFMA refers).
- 8.3 A virement form must be completed for all Budget Transfers.
- 8.4 Virements as determined under section 6b, requires the approval of the Council. (Section 79 of the MFMA refers).
- 8.5 Must include changes to the SDBIP.
- 8.6 All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 of the MFMA refers).

9 REPORTING

- 9.1 The Chief Financial Officer must prepare and submit a report on all transfers to the Municipal Manager half yearly.

9.2 The Municipal Manager shall submit a report on all transfers made under this Policy to the Mayor half yearly.

Sources

- Municipal Finance Management Act No. 56 of 2003
- MFMA Circular No.13 – Service Delivery Budget Implementation Plan
- MFMA Circular No.51 – 2010/11 MTREF
- Knysna Municipality – Virement Policy

APPENDIX A & B

VOTE CLASSIFICATION

DIRECTORATES AND DEPARTMENTS		
VOTE- DIRECTORATE CLASSIFICATION	DEPARTMENT	RESPONSIBLE INDIVIDUAL
CORPORATE SERVICES	020 Council General 021 Human Resources 025 Administration 210 Information Technology	EXECUTIVE DIRECTOR: CORPORATE SERVICES
MUNICIPAL MANAGER	022 Policy Development 023 Internal Audit	MUNICIPAL MANAGER
CORPORATE GOVERNANCE	024 Corporate Communications 028 IDP 029 PMS 260 Public Participation	CHIEF OPERATING OFFICER
COMMUNITY SERVICES	015 Beach Amenities 055 Bush Clearing & Pest Control 056 Cemetery 065 Health General 070 Parks & Garden 075 Sports & Recreation 080 Dolphin Park 172 Street Sweeping 255 Refuse Removal	
	035 Safety Administration 040 Security Services 041 Law Enforcement 042 Fire & Emergency 044 Disaster Management	

COMMUNITY SAFETY	045 Marine Safety 046 Vehicle Testing 047 Vehicle Licensing	EXECUTIVE DIRECTOR: MUNICIPAL SERVICES
FINANCE	010 Assessment Rates 215 Budget Office 220 Stores	CHIEF FINANCIAL OFFICER
ECONOMIC DEVELOPMENT & PLANNING	026 Housing Masakhane 027 Youth Development 030 Library 031 Museum 032 Economic Development 154 Town Planning 165 Community Halls	EXECUTIVE DIRECTOR: ECONOMIC DEVELOPMENT & PLANNING
TECHNICAL SERVICES – CIVIL SECTION	156 Civil Admin 160 Civic Buildings 170 Roads & Storm water 180 Staff Housing	EXECUTIVE DIRECTOR: TECHNICAL SERVICES – CIVIL
TECHNICAL SERVICES – ELECTRICAL SECTION	171 Street Lights 356 Vehicle Distribution 360 Mechanical Workshop 400 Electrical Admin 420 Urban South 430 Rural North 440 Sappi 450 Urban North 490 Rural South – Etete 582 Salary Distribution	EXECUTIVE DIRECTOR: TECHNICAL SERVICES – ELECTRICAL

APPENDIX C

REQUESTED BY:

REQUEST DIRECTED TO: The Chief Financial Officer / Municipal Manager

DATE:

FINANCIAL YEAR:

2	0		
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 /

2	0		
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PLEASE EFFECT VIREMENT AS FOLLOWS:

.....

.....

.....

.....

FROM VOTE NUMBER:

FROM VOTE DESCRIPTION:

VOTE CATEGORY:

TO VOTE NUMBER:

TO VOTE DESCRIPTION:

VOTE CATEGORY:

AMOUNT: R.....

AMOUNT IN WORDS:

REASON OF VIREMENT:

.....

.....

.....

.....

.....

.....

.....

.....

Please indicate Y or N

1. Are the above votes within your directorate?

☐

If no, obtain the approval of the relevant Executive Director

NAME:

DATE:

2. Has the total virement on the above votes exceeded the limit as disclosed in paragraph 7.2. of the Virement Policy? ☐

3. Will the above virement cater to the approved outcomes/ output of the IDP ☐

4. Will the above adjust service delivery targets, as set in the SDBIP, downwards? ☐

5. Is the virement required to increase recurrent expenditure, such as leases? ☐

6. Will the virement effect the following line items and categories of expenditure:

- Employment Costs Category ☐
- Departmental Charges ☐
- Charge out Allocations ☐
- Grant Expenditure ☐
- Income Category ☐

I hereby declare that I fully understand the contents of the Virement Policy and request that the above virement be approved.

EXECUTIVE DIRECTOR: (signature)

EXECUTIVE DIRECTOR:
(print name in full)

DATE :

CHIEF FINANCIAL OFFICER:

DATE:

MUNICIPAL MANAGER:

DATE:

**PROPOSED AMENDMENTS TO CREDIT CONTROL AND DEBT
COLLECTION POLICY 2016/2017 FINANCIAL YEAR**

EXISTING CLAUSE

7. AVAILABILITY CHARGES FOR MUNICIPAL SERVICES

The Municipality shall, as prescribed in the tariff of charges for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not.

PROPOSED CLAUSE

The Municipality shall, as prescribed in the tariff of charges for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not consumed.

EXISTING CLAUSE

None

PROPOSED CLAUSE

12. DISHONOURED PAYMENTS

Where any payment made to the Municipality or its authorised agent by negotiable instrument, is later dishonoured by the bank, the municipality or its authorised agent:

- (a) will recover all applicable charges.
- (b) shall regard such an event as a default on payment and shall disconnect services without notice and or reserves the right to take legal action.
- (c) shall require all future payments to be made by cash or electronic fund transfer in an event where more than two cheque payments from the debtor have been dishonoured by the bank

16. DEBT COLLECTION

EXISTING CLAUSE

- 16.1. The debt collection policy determines that municipal accounts be paid on the due date as indicated on the account and that non-payment of accounts will result in debt collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorised agent may:

PROPOSED CLAUSE

- 17.1. The debt collection policy determines that municipal accounts shall be paid on the due date as indicated on the account and that non-payment of accounts will result in debt

collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorised agent may: -

EXISTING CLAUSE

17. ARRANGEMENT

EXISTING CLAUSE

- 17.1. A customer may enter into an arrangement with the Municipality for the repayment of an arrear account by concluding:
- a) An acknowledgement of debt shall be duly signed by both parties
 - b) A consent to judgment.
 - c) An emolument attachment order.
 - d) Acknowledge that interest will be charged at the prescribed rate.
 - e) Acknowledge that if the arrangements being negotiated later are defaulted on, disconnection of electricity or blocked from buying electricity on the Prepayment System will follow immediately, as well as legal proceedings. Acknowledge liability of all legal costs incurred.
 - f) Only account holders with positive proof of identity or an authorised agent with a power of attorney will be allowed to enter into an arrangement for the payment of arrear accounts in instalments.

PROPOSED CLAUSE

18. ARRANGEMENT

- (g) Failure to honour the agreement will lead to immediate blocking or restriction from purchasing prepaid electricity, disconnection of electricity, as well as legal action.
- (h) Prior concluding the agreement the owner shall be compelled to produce the prepaid electricity card and or conventional meter number.

EXISTING CLAUSE

- 17.6 **Electricity/Consolidated Bill:** each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months or at the discretion of the Chief Financial Officer or in his absence the Director Revenue. No further arrangements will be entertained unless sanctioned by the Chief Financial Officer or in his absence the Director Revenue.

- 17.7 **Consolidated Consumer Account/Sundry Debtors:** Payment of arrears together with the current account shall be paid over a maximum period of 6 months, or at the discretion of the Chief Financial Officer or in his absence, the Director Revenue.

PROPOSED CLAUSE

18. ARRANGEMENT

- 18.6 **Electricity/Consolidated Bill/ Sundry Debtors:** each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months.
- 18.7 The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

18 ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

EXISTING CLAUSE

- 18.10 **Consolidated Consumer Account/Sundry Debtors** Payment of arrears together with the current account shall be paid over a maximum period of 6 months, or at the discretion of the Chief Financial Officer or in his absence, the Director Revenue.

PROPOSED CLAUSE

Deletion of this clause since this is incorporated under clause 18.6 above.

EXISTING CLAUSE

- 18.11 By entering into an Arrangement to Pay the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with the balance of interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.

PROPOSED CLAUSE

- 19.10 By entering into an Arrangement to Pay the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with current account, interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.

EXISTING CLAUSE

28. STAFF IN ARREARS

- 28.1 Item10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period."
- 28.2 The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction where appropriate, after compliance with the Provisions of the Basic Conditions of Employment Act.

PROPOSED CLAUSE

30 STAFF IN ARREARS

- 30.1 Item10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period."
- 30.2 The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction where appropriate, In terms of the Provisions of the Basic Conditions of Employment Act and other relevant legislation.
- 30.3 No special treatment shall be afforded to staff member whose accounts are arrears.
- 30.4 Once the arrears or debt is settled in full, the account will automatically revert to staff group account.

EXISTING CLAUSE

29. COUNCILORS IN ARREARS

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

The Municipality, upon consultation with the Councilor, shall make appropriate arrangements to have the arrears paid.

PROPOSED CLAUSE

31. COUNCILORS IN ARREARS

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

- 31.1 The Municipality, upon consultation with the Councilor, shall make appropriate arrangements to have the arrears paid.
- 31.2 The Municipality shall liaise with the relevant Councilor and the Speaker, in order to issue the necessary salary deduction instruction where appropriate
- 31.3 No special treatment shall be afforded to the Councilor whose accounts are arrears.
- 31.4 Once the arrears or debt is settled in full, the account will automatically revert to the group account.

EXISTING CLAUSE

36. DEBT ARRANGEMENT

Customers have been categorised into the following income categories:-

- Indigent (Gross household income of less than the monthly amount determined by Council)
- Not indigent (Gross household income of more than the monthly amount determined by Council for indigent)
- Non-domestic (excludes Government Departments)
- Government Departments.

36.1 The principle of limited vending to encourage customers with arrears to buy a pre-determined amount of electricity per month, will apply.

36.2 The principle that the monthly account must be paid, will apply.

36.3 Indigent Customers (Prepaid electricity meter)

- (a) Indigent customers with arrears will be put on the information block, which will notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement have been made with Council.
- (b) Indigent consumers will be required to pay 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 36 months.
- (c) The total block can only be removed after the necessary payment arrangements have been made with Council

PROPOSED CLAUSE

39.3 Indigent Customers (Prepaid electricity meter)

- (d) Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.

- (e) Indigent customers will be allowed to purchase average monthly electricity consumption of such consumer with the maximum amount of electricity as determined from time to time.

EXISTING CLAUSE

- 36.4 Arrangements by indigent customers (Conventional electricity meter)
 - (a) Indigent customers must have their credit electricity meters converted to prepayment electricity meters at Council discretion.

PROPOSED CLAUSE

- 39.4 Arrangements by indigent customers (Conventional electricity meter)
 - a) Indigent customers may have their credit electricity meters converted to prepayment electricity meters at Council discretion; all cost of conversion shall be paid by the customer.

EXISTING CLAUSE

- c) The debt as per arrangement must be settled over a period of 36 months.

PROPOSED CLAUSE

- c) The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

EXISTING CLAUSE

- 36.5 Non-Indigent Customers
 - (a) Non-indigent customers with arrears will be put on the information block, which will notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement have been made with Council.
 - (b) Payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 6 months or at the discretion of the Chief Financial Officer or in his absence the Director Revenue.

PROPOSED CLAUSE**39.5 Non-Indigent Customers**

- b) Payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 6 months.
- c) The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

EXISTING CLAUSE

None

PROPOSED CLAUSE**50. REFUNDS**

50.1 Refunds shall only be issued, provided that all the customers' accounts are paid in full, credits on accounts shall be refunded, on application, as follows:

- a) To the account holder, for rates and services account;
- b) To the owner, where the owner pays the tenants account;
- c) To the conveyancer to pay the buyer or seller, on transfer of a property, this includes any credits that may arise from an objection appeal outcome or an over payment of the account.

EXISTING CLAUSE

None

PROPOSED CLAUSE**28. DEBT RELIEF PROGRAMME**

28.1 Council shall promote assistance to the poorer by embarking on a debt relief programme, the indigent customer who cannot conclude the Acknowledgement of debt as per Council Credit Control and debt collection policy, shall adhere and undergone to the following procedures:

- a) The indigent Customer shall be required to complete the income and expenditure form, in order to determine the minimum amount payable upfront when concluding the Acknowledgement of debt. All supporting documents shall be produced by an applicant, in order for Finance to conduct thorough system verification.
- b) The acknowledgement of debt shall be approved only on condition that the system verification shall prove to be correct.
- c) Upon approval of Acknowledgement of debt, the outstanding debt owed by indigent customer, shall not attract any interest and penalties, only on condition that the customer pays or maintains the current account.

25. ILLEGAL ELECTRICITY CONNECTION**EXISTING CLAUSE**

In the event of it being found that any electricity connection had been made illegally by any person than then the following shall take place:

- a) the electricity shall be disconnected with immediate effect
- b) The occupier/owner/developer jointly and severally shall pay a penalty as per the tariff of charges.
- c) The occupier/owner/developer shall be jointly and severally liable for consumption charges.
- d) The occupier/owner/developer shall be jointly and severally pay interest on the consumption Charges at the rate as determined by Council in the tariff of charges from time to time, from the date of disconnection to date of payment.

PROPOSED CLAUSE**26. ILLEGAL ELECTRICITY CONNECTION**

- e) The applicant shall pay the outstanding municipal account in full, including current instalment, interest and penalty fees, payment of unauthorized consumption, disconnection and reconnection fees, and increased in a deposits as determined by Council in the tariff of charges, shall become due and payable before any reconnection can be sanctioned.
- f) Where a consumer and/ or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tempering /interruption to the electricity.
- g) Application for new services shall only be accepted from the owner of the property.
- h) Application for new services shall only be accepted from the owner of the property.
- i) Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.
- j) No acknowledgement of debt shall be entertained.
- k) Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer.

43. TAMPERING AND/OR THEFT OF SERVICES ON PREPAID ELECTRICITY METER**EXISTING CLAUSE**

None

PROPOSED CLAUSE**35. TAMPERING AND/OR THEFT OF SERVICES ON PREPAID ELECTRICITY METER**

- 35.1 Any person found to be illegally connected to municipal services, tampering with prepaid electricity meters, will be prosecuted and shall be liable for:
- 35.2 The total outstanding debt, including the current instalment, interest and penalty fees (tamper fee), assessment of unauthorized consumption, will become due and payable before any reconnection can be sanctioned
- 35.3 The Customer or Consumer shall be obliged to make application for new electricity services.
- 35.4 Application for new services shall only be accepted from the owner of the property.
- 35.5 All applications are made and processed at the electrical department of KwaDukuza Municipality.
- 35.6 The applicant shall obtain from the enquiry clerk at the finance department, the full balance of any amount due, owing and payable in respect of any municipal account
- 35.7 The applicant shall pay the outstanding municipal account in full including the current instalment, interest and penalty fees (tamper fee), payment of unauthorized consumption, will become due and payable before any reconnection can be sanctioned
- 35.8 Where a consumer and/ or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tempering /interruption to the electricity.
- 35.9 Once payment has been made, the enquiries clerk at finance department shall issue a certificate to the customer reflecting that the outstanding municipal services and rates accounts have been paid in full.
- 35.10 On instances where the prepaid electricity meter has been found to be tampered with; Councils may prefer conversion of prepaid electricity metering system to conversional electricity metering system, conversion shall be implemented at the customers cost.
- 35.11 Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.
- 35.12 No acknowledgement of debt shall be entertained.
- 35.13 Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer

35. LEGAL ACTION

EXISTING CLAUSE

None

PROPOSED CLAUSE

38. LEGAL ACTION

38.1.11The Chief Financial Officer shall be authorized to approve the writes off, of all irrecoverable debts up to the value of R500.00, only on condition that satisfactory reason has been provided.

47 READING OF CREDIT METERS

EXISTING CLAUSE

None

PROPOSED CLAUSE

47 READING OF CREDIT METERS

47.1 Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed or minimum charges due in terms of the tariff shall be assessed accordingly. The Municipality shall not be obliged to effect any adjustments to such charges.

47.2 If for any reasons the credit meter cannot be read, the Municipality may render an estimated account. The electrical energy consumed shall be adjusted in a subsequent account in accordance with the electrical actually consumed.

47.3 When a consumer vacates a property and a final reading of the meter is not possible, estimation may be made and the final account rendered accordingly.

47.4 If special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee.

47.5 If any calculating reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts. Any such correction shall only apply in respect of accounts for a period of 36 months preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period.

51. COMPLIANCE AND ENFORCEMENT

EXISTING CLAUSE

None

PROPOSED CLAUSE

51 COMPLIANCE AND ENFORCEMENT

a) Violation of or non-compliance with this policy will give a just cause of disciplinary steps to being taken.

a) It will be the responsibility of Accounting Officer to enforce compliance with this policy.

52 EFFECTIVE DATE

EXISTING CLAUSE

None

PROPOSED CLAUSE

52 EFFECTIVE DATE

The policy shall come to effect upon approval by Council.

53 POLICY ADOPTION

EXISTING CLAUSE

None

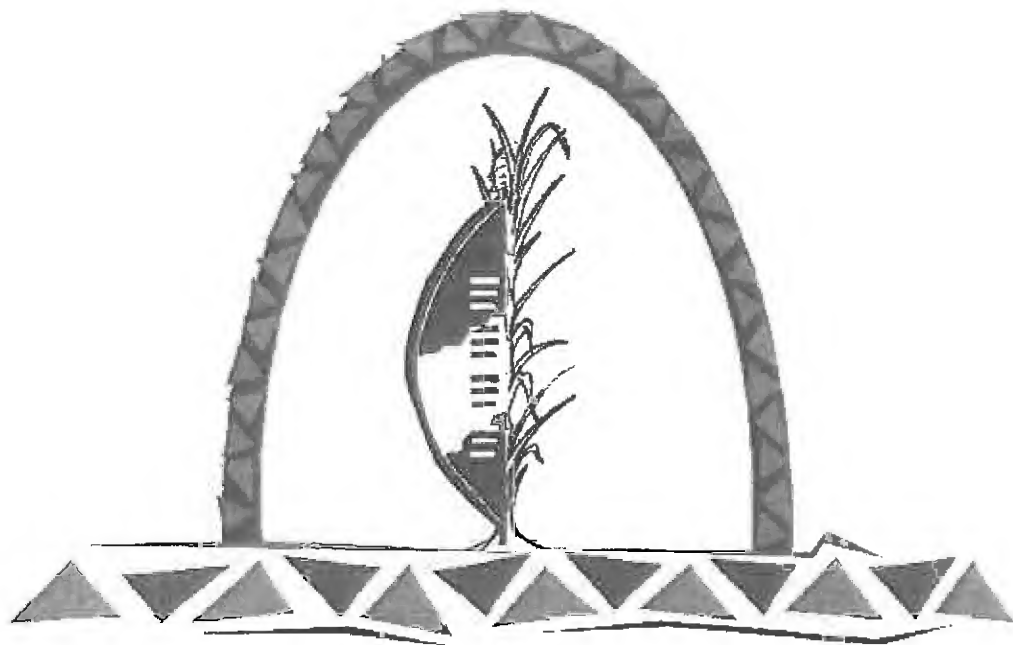
PROPOSED CLAUSE

53 POLICY ADOPTION

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Resolution No: _____

Approval Date _____



KWADUKUZA
M U N I C I P A L I T Y

CREDIT CONTROL AND DEBT COLLECTION POLICY

KWADUKUZA MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY 2016/2017

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PREAMBLE

WHEREAS Section 95 of the Local Government: Municipal Systems Act 32 of 2000 obliges the Municipality to establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the Municipality;

AND WHEREAS Section 96 of the Local Government: Municipal Systems Act 32 of 2000 provides that a Municipality must collect all money that is due and payable to it for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies;

AND WHEREAS Section 97 of the Local Government: Municipal Systems Act 32 of 2000 provides that the credit control and debt collection policy must provide for credit control and debt collection procedures and mechanisms as well as provision for indigent debtors that is consistent with its rates and tariff policies and any national policies on indigents.

IT IS HEREBY ADOPTED: A Credit Control and Debt Collection Policy of the KwaDukuza Municipality.

**CREDIT CONTROL AND
DEBT COLLECTION POLICY****PART A – CREDIT CONTROL PROCEDURES****1. DEFINITIONS:**

For the purpose of this policy, the wording or any expression has the same meaning as contained in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time, except where clearly indicated otherwise and means the following:

"account"	Any account rendered for municipal services; sundry charges, housing services and rates.
"Act"	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
"actual consumption"	Means the measured consumption of any customer.
"administration charge"	A fee charged on the capital rates then in arrears as determined by council from time to time;
"agreement"	Means the contractual relationship between the Municipality or its authorised agent and a customer, whether written or deemed.
"applicable charges"	Means the rate, charge, tariff, flat rate, or subsidy determined by the Municipality.
"area of supply"	Means any area within or partly within the area of jurisdiction of the municipality or such other areas where the service is requested.
"arrears"	Any amount due, owing and payable by a customer to the Municipality in respect of municipal services, sundry charges, housing services and rates not paid by due date.
"arrangement"	Means written agreement entered into between the Council and the debtor where specific repayment parameters are agreed.

"authorised agent"	<p>Means</p> <ul style="list-style-type: none"> (a) any person authorised by the municipality to perform any act, function or duty in terms of, or exercise any power under these bylaws, and/or (b) any person to whom the municipality has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or (c) any person appointed by the municipality in terms of a written contract or a service provider to provide revenue services to customers on its behalf, to the extent authorized in such contract.
"average consumption"	Means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the customer's total measured consumption of that municipal service over the preceding six months by six.
"Chief Financial Officer"	Means a Person employed by the Municipality as its Chief Financial Officer.
"commercial customer"	Means any customer other than household and indigent customers
"connection"	Means the point from which a customer gains access to municipal services.
"Consolidated Bill"	A monthly bill reflecting all monies due to the Municipality in terms of Section 102 of the Act for electricity, refuse rates, vat and sundry charges.
"Councilor"	Means a person as defined in terms of the Act;
"Credit Control"	All functions and processes relating to the collection of monies owed to the Municipality.
"customer"	A person or owner with whom the Municipality or its authorised agent has concluded an agreement or has an account with the Municipality
"debtor"	Means any person indebted to the Municipality;
"defaulter"	Means any customer or ratepayer in arrears.
"deposit"	An amount required as security to be determined by the Municipality.
"due date"	<ul style="list-style-type: none"> (i) <u>Monthly</u> The monthly date on which all accounts become due and payable which date shall be within 30 days after the date of the account during normal cashier hours. (ii) <u>Annual</u>

Where the owner has entered into an agreement with the Municipality to pay property rates annually, the due date shall be a date to be determined by Council.

"estimated consumption"	Means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of service during a specific period in the area of supply of the municipality or its authorised agent.
"household customer"	Means a customer that occupies or owns a dwelling, structure or property primarily for residential purposes.
"household"	Means a traditional family unit consisting of a combination of persons.
"housing services"	Means any rental (rates if applicable) instalment, administration charges, insurance premiums and housing interest.
"interest"	A charge with the same legal authority as service fees and calculated at a rate determined by Council from time to time on all arrear accounts (capital only).
"illegal connection"	A connection to any system through which the municipal services are provided, which is not authorised or approved by the Municipality or its authorised agent.
"Indigent Customer"	Means a household customer qualifying and registered with the municipality as an indigent.
"MFMA"	Means the Municipal Finance Management Act No 56 of 2003
"Municipal Clearance Certificate"	Means a certificate issued by the Municipality in terms of Section 118 of the Municipal Systems Act, which certifies that all amounts that became due in connection with the property for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid. The certificate issued will be valid for a period of 60 days from date of issue.
"Municipality or Council"	Means the KwaDukuza Municipal Council and includes the Mayor, Political Office Bearers, Political Structures, Municipal Manager and any Official who has delegated powers in terms of Section 59 of the Local Government Municipal Systems Act (Act No. 32 of 2000).
"municipal area"	Means the geographical area of the KwaDukuza Municipality as determined by the demarcation board in terms of the Demarcation Act No. 27 of 1998.
"municipal manager"	Means the person appointed by the municipality as the manager of the municipality in terms of section 55 and 57 of the Municipal Systems Act read with Section 82 of the Local Government Municipal Structures Act 1998 (Act No. 117 of 1998) and includes any person: <ul style="list-style-type: none"> (a) acting in such position; and

- (b) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
- "municipal service" Means services provided by the municipality or its authorised agent, including refuse removal and electricity services.
- "occupier" Includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein.
- "owner"
- a. the person in whom from time to time is vested the legal title to immovable property;
 - b. in case where a person in whom the legal title to immovable property is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
 - c. in any case where the Municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such immovable property or a building thereon;
 - d. in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;
 - e. in relation to:
 - i A piece of land delineated on a sectional plan registered in terms of Sectional Title Act, 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of common property; or
 - ii a section as defined in the Sectional Title Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such person; or
 - iii a 'Home Owners Association', which includes all members of the Association.
 - f the Ingonyama Trust, where the land is vested in the Trust by virtue of the provisions of the Ingonyama Trust Act No. 3 of 1994.
 - g. any legal person including but not limited to:
 - i a company registered in terms of the Companies Act, (Act 61 of 1973), a trust, a close corporation registered

	in terms of the Close Corporation Act, (Act 69 of 1984) a voluntary association and any department of State;
	ii any Council or Board established in terms of any legislation applicable to the Republic of South Africa;
	iii any Embassy or other foreign entity.
"person"	Means any natural person, local government body or like authority, a company or close corporation incorporated under any law, body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;
"public notice"	Means publication in an appropriate medium that may include one or more of the following: - <ul style="list-style-type: none"> (a) publication of a notice, in an official language determined by the Municipality in the local newspaper or newspapers in the area of the municipality; or in the newspaper or newspapers circulating in the area of the municipality determined by the Municipality as a newspaper on record; or by means of radio broadcast covering the area of the municipality; or displaying a notice at appropriate offices and pay-points of the municipality or its authorised agent, or (b) communication with customers through public meetings, on the municipality's website, electronic communication, and ward committee meetings.
"Rates"	Municipal tax levied on the valuation of property. The rate is expressed as cents in the rand.
"Rates Act"	Municipal Property Rates Act 6 of 2004.
"Ratepayer"	Means a person who is liable to the Municipality for the payment of: <ul style="list-style-type: none"> a) Rates on the property within in the Municipal area. b) Any other tax, duty or levy imposed by the Municipality, and/or c) Fees for the services provided either by the municipality or in terms of a service delivery agreement
"resident"	Means a person who ordinarily resides in the Municipal area;
"Service Authority"	Means the power of a Municipality to regulate the provision of a municipal service by a service provider;
"Service Delivery Agreement"	Means an agreement between a municipality and an institution or person mentioned in section 76(b) of the Act in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality.
"Service provider"	Means a person or institution or any combination of persons and institutions which provide a municipal service;

Service Utility"	Means a municipal entity established in terms of Section 82 B of the Act;
"Staff"	Means the employees of the municipality, including the municipal manager;
"supply zone"	Means an area, determined by the municipality or its authorized agent, within which all customers are provided with service from the same bulk supply connection;
"social housing tenant"	Any person letting / leasing any residential premises from any public Legal body for less than a full rack rental or letting / leasing residential premises from a private person and receiving from the National / Provincial Government a subsidy or other amount to empower the tenant to pay the full rack rental.
"Tamper with supply of power"	Means the unauthorized or illegal consumption of electricity by unauthorized or illegal reconnection of electricity without authority.
"unauthorised services"	Means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorised approval by the municipality or its authorised agent.
"Vat"	A charge legislated in terms of the Vat Act, No 89 of 1991 as amended
"Sundry charges"	Any charge excluding a municipal service, housing service and rates.

2. **PURPOSE**

This policy has been compiled as required in terms of Section 96 & 97 of the Local Government: Municipal Systems Act 32 of 2000 and is designed to provide credit control and debt collection procedures and mechanisms.

3. **APPLICATION FOR MUNICIPAL SERVICES**

3.1 ***APPLICATION FOR ELECTRICITY SERVICES (CONVENTIONAL METERS)***

- 3.1.1 The Municipality shall whenever possible, combine any separate accounts of persons who are owners and consumers that are liable for payment to the municipality, into one consolidated account.
- 3.1.2 All new applications for services shall be only be accepted from the owner and shall be linked to the rates account or name of the owner and not deemed a separate account, except where separate individual units account shall be opened under the name of the owner.
- 3.1.3 No application or amendment to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer or in his absence the Director Revenue has been produced in each instance;
- 3.1.4 With respect to a residential application, the owner of the property shall submit the following documents:

- i. Certified copy of identity document or passport;
 - ii. A letter from the transferring attorney confirming ownership or a copy of the Title Deed; and
 - iii. Ratable details or rate number of the property, if available.
- 3.1.5 With respect to a commercial application the following documents must be produced:
- i. The Certificate of Registration or incorporation of the Company, CC, Trust, or Partnership.
 - ii. Certified copy of the identity document or passport of one of the directors, members, trustees or owner in the case of a sole proprietor, who would open an account.
 - iii. Letters of authority in the case of a partnership or sole proprietor.
 - iv. Personal sureties from one or more of the Directors / Members of a Company / CC / Trust or Partnership
 - vi. VAT registration numbers if applicable
 - vii. Landlords consent / lease agreement / agents mandate between landlord / agent
 - ix. In the event of the company leasing the property a letter from the owner giving consent to the tenant to apply for Municipal services.
- 3.1.6 Customers who fail to apply for services and who illegally consume services will be subjected to punitive measures or such civil or criminal action as the Municipality deems appropriate in terms of Section 45 of the Kwa-Dukuza Municipality Bylaws relating to Credit Control and Debt Collection.
- 3.1.7 If there is an outstanding debt on the property, this debt must be settled in full or suitable payment arrangements must be made by the owner of the property, before the new customer is registered
- 3.1.8 New applications for services from customers who are in arrears with any other municipal accounts shall not be approved unless the arrears have been settled in full or suitable payment arrangements have been made by the applicant.
- 3.1.9 Any application for any existing supply of services to any premises must be made at least four working days prior to the service being required, in the prescribed format, and must comply with the conditions as determined by the Municipal Manager or his or her delegate from time to time.
- 3.1.10 No services shall be supplied unless and until application has been made by the Owner, a service agreement in the prescribed format has been entered into , the deposit has been paid and if applicable the relevant service demand base component and electricity connection fees has been paid.
- 3.1.11 The municipality shall require of an applicant to submit information and documentary proof so as to enable it to bring its records up to date and to assess the creditworthiness of the applicant and may require such information to be provided on oath.

4. **SPECIAL AGREEMENTS FOR MUNICIPAL SERVICES**

The municipality or its authorised agent may enter into a special agreement for the provision of municipal services with an applicant: -

- 4.1. within the area of supply; if the services applied for necessitates the imposition of conditions not contained in the prescribed form or these bylaws;
- 4.2. Receiving subsidized services; and
- 4.3. If the premise to receive such services is situated outside the area of supply, provided that the municipality having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the municipality having jurisdiction of such special agreement.

5. **CHANGE IN PURPOSE FOR WHICH MUNICIPAL SERVICES ARE USED**

Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the municipality or its authorised agent of such change and to enter into a new agreement with the municipality or its authorised agent.

PART 2 APPLICABLE CHARGES

6. **APPLICABLE CHARGES FOR MUNICIPAL SERVICES**

- 6.1. All applicable charges in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the Municipality in accordance with: -

- (a) Its tariff of charges;
- (b) Its credit control and debt collection policy and any other applicable policy;
- (c) Any bylaws in respect thereof; and
- (d) Any regulations in terms of national or provincial legislation.

- 6.2. Applicable charges may differ between different categories of customers, users of services, types and levels of service, quantities of service, infrastructure requirements and geographical areas.

7. **AVAILABILITY CHARGES FOR MUNICIPAL SERVICES**

The Municipality shall, as prescribed in the tariff of charges for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not consumed.

8. **SUBSIDISED SERVICES**

- 8.1. The Municipality may, from time to time, and in accordance with National Policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.
- 8.2. The Municipality may, in implementing subsidies, differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.
- 8.3. Public notice in terms of subsection (1) must contain at least the following details applicable to a specific subsidy;
 - (a) Household customers who will benefit from the subsidy.
 - (b) The type, level and quantity of municipal service that will be subsidised.
 - (c) The area within which the subsidy will apply.
 - (d) The rate (indicating the level of subsidy).
 - (e) The method of implementing the subsidy.
 - (f) Any special terms and conditions which will apply to the subsidy.
- 8.4. If a household customer's consumption or use of a municipal service is: -
 - (a) Less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
 - (b) In excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- 8.5. A subsidy implemented in terms of subsection (1) may at any time, be withdrawn or altered in the sole discretion of the Municipality, after: -
 - (a) Service of notice as contemplated in Section 115 of the Act on the person affected by the Municipality's intention to consider such withdrawal or alteration; and
 - (b) Consideration by the Municipality of any comments or request received from the person affected.
- 8.6. Commercial customers shall not qualify for subsidised services.
- 8.7. Subsidised services shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.

9. **DEPOSITS FOR MUNICIPAL SERVICES**

- 9.1 Deposits, *as prescribed in the tariff of charges*, will be due and payable on application by new customers and subject to review upon the movement of existing customers to a new address.
- 9.2 At the time of registration for a municipal service, a cash deposit and electronic fund transfer shall be required based on the following criteria:

9.2.1 Property Owners

- a) Owners are requested to pay a consumption deposit as per the tariff of charges as approved by Council.

three months projected consumption value; which can be reduced to one consumption value should the owner commit to direct debit payments at the time of application; or
- b) Property owners may provide a guarantee from a Bank in lieu of a cash deposit but no application will be processed until either cash, or a guarantee is provided.

9.2.2 Tenants

Commercial tenants who wish to register for electricity consumption will be required to pay a deposit based on minimum three months consumption value at the time of application or as per the tariff of charges as approved by Council and will not be able to reduce this amount by committing to direct debit payments. They may provide a guarantee from a Bank in lieu of a cash deposit but no application will be processed until either the required payment or a guarantee is provided.

This provision does not apply to social housing tenants.

9.2.3. Increase in Deposits

The value of the original deposit paid or a guarantee held will be reviewed, on a regular basis, the customer shall be notified in writing of the revised deposit.

- 9.3(a) The deposit held shall be utilized to settle the arrear account after final account has been rendered.
- 9.3(b) when the account is in arrears the deposit shall be utilized to cover the cost of converting to prepaid electricity meter.
- 9.3 (c) Where the account is in arrears for more than 60 days, the deposit shall be increased by three months average consumption.

10. ACCOUNTS

- 10.1. Accounts shall be rendered monthly to customers at the address last recorded with the municipality or its authorised agent. The customer may receive more than one account for different municipal services if they are accounted for separately.
- 10.2. An error or omission in any account or failure to receive or accept an account does not relieve a customer of the obligation to pay an amount due and payable.
- 10.3. Accounts must be paid by no later than the last date of payment specified in such account.
- 10.4. a) Assessment rates shall be billed on a monthly basis in terms of Section 64 (2) (b) of

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- b) annually, as may be agreed to with the owner of the property on or before a date as determined by the Municipality
 - c) *The Municipality shall recover a rate annually for National and Provincial Government owned properties.*
- 10.5 Monthly rates shall be levied in eleven equal installments, and subject to change as determined by *Council* from time to time.
- 10.6 The Municipality will undertake to have the accounts mailed to all customers. However, failure to receive or accept accounts does not relieve a customer of the obligation to pay any amount due and payable. The onus is on the customer to make every effort to obtain a copy account for payment, and to keep the municipality apprised at all times of any changes to his/her/it's personal details.
- 10.7 The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request. Landlords may request copies of their tenants' accounts.
- 10.8 The Accounts shall reflect at least:
 - a. The services rendered
 - b. The consumption of metered services or average, or estimated consumption.
 - c. The applicable charges
 - d. The amount due
 - e. property rates payable
 - d. Surcharges
 - g. Value Added Tax
 - h. Any rebates
 - i. The adjustments, if any, to metered consumption that has been previously estimated.
 - j. The arrears
 - k. The interest payable on arrears
 - l The final date of payment
 - m. The methods, places and approved agents where payment may be made.
 - n. Administration charges
 - o. Payments received.
 - p. Period stipulated in the account.
 - q. Any subsidies.
 - r. Any other adjustments
- 10.9. The Municipality shall post the rates assessment.

11. PAYMENT OPTIONS

- 11.1 The Municipality must endeavor to establish a payment network to ensure that, wherever practically possible, customers in receipt of accounts have access to a payment site.
- 11.2 Customers must ensure that payments made through third party agents (post-office: easy pay; etc) are made at least 3 working days prior to the due date. The Municipality will not accept responsibility for delays in receipt of payments.
- 11.3 The methods of payment shall be pronounced by the Council from time to time.

12. DISHONoured PAYMENTS

Where any payment made to the Municipality or its authorised agent by negotiable instrument, is later dishonoured by the bank, the municipality or its authorised agent:

- a) shall recover all applicable charges.
- b) shall regard such an event as a default on payment and shall disconnect services without notice and or reserves the right to take legal action.
- c) shall require all future payments to be made by cash or electronic fund transfer in an event where more than two cheque payments from the debtor have been dishonoured by the bank

13. CASH ALLOCATION PRIORITIES

- 13.1 When part payments are received against a Consolidated Account, the Municipality shall allocate such payments first to the oldest debt and then to the current debt in terms of the following table of priorities as determined from time to time:

PRIORITY NO.	STATUS	SERVICE
1	Arrears	All other Municipal charges including interest, administration charges and penalties.
2	Arrears	Additional Deposits
3	Arrears	Sundry Charges
4	Arrears	Housing Charges
5	Arrears	Refuse Charges
6	Arrears	Rates

7	Arrears	Electricity Charges
8	Current	All other Municipal charges including interest, administration charges and penalties.
9-	Current	Additional Deposits
10	Current	Sundry Charges
11	Current	Housing Charges
12	Current	Refuse Charges
13	Current	Rates
14	Current	Electricity Charges
15	Vat	Will be allocated in terms of the Vat Act of 1991

14. **RESPONSIBILITY FOR AMOUNTS DUE AND PAYABLE**

- 14.1. Any amount due to the municipality for municipal service fee, surcharge on fees and any other municipal taxes and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 14.2. Accordingly, all such municipal debts shall be a charge upon the property and shall be payable by the owner of the property, notwithstanding the provisions of any other sections of the bylaws.
- 14.3. Any person who purchases or otherwise acquires or leases immovable property from the Municipality shall be deemed to be the owner thereof from the date of such purchase or other acquisition by him or from the commencement of such lease, as the case may be.
- 14.4. Where the property is owned by more than one person, each such person shall be liable jointly and severally for all Municipal debts charged on the property.
- 14.5. Owners shall be held jointly and severally liable, with their tenants who are registered as customers for municipal services.
- 14.6. Tenants and/or agents shall be held liable for arrear rates restricted to the rental, in terms of the Section 28 of the Municipal Property Rates Act No.6 of 2004.
- 14.7. When electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised the relevant charges shall be raised against the registered owner.
- 14.8. When a customer terminates a consumption account and no new customer registers, a property is deemed to be unoccupied. The owner shall be responsible for the account.
- 14.9. When the property is owned by company or close cooperation, each member or director shall be liable jointly and severally for all Municipal debts charged on the property.

15. TERMINATION / TRANSFER OF ELECTRICITY ACCOUNTS

- 15.1 A customer who intends to terminate or transfer a municipal service shall notify the Municipality in writing within 14 days prior to the date of termination or transfer and shall also furnish the Municipality with the forwarding address.
- 15.2 A final reading shall be recorded on the termination date and the customer will be billed for the consumption.
- 15.3 If a current tenant terminates his/her account, the meter and the outstanding debt on that property automatically reverts back to the owner account and no further applications for tenants will be accepted
- 15.4 The deposit shall be appropriated against the account. Should a credit balance remain on the account, after appropriation of the deposit, such credit balance may be refunded to the customer or transferred to the new municipal service.
- 15.5 A final account that remains unpaid for a period of 30 days shall be:-
- (a) Transferred to the owner's current account.
 - (b) Recovered through our debt collection procedure.

16. INTEREST / ADMINISTRATION CHARGES ON OUTSTANDING ACCOUNTS

The Municipality shall in terms of Section 97(1)(e) read with Section 75A (as amended by G.G. No. 24149 dated 05/12/2002) of the Act:

- 16.1 Charge interest and or penalty as specified in the tariff of charges from time to time.
- 16.2 10% Administration charges raised on the outstanding rates for the current year.:
- (a) On annual rates payers:
 - 60 days succeeding the final due date.
 - (b) Monthly rate payers:
 - Administration charges shall be raised on the 1st of July on all outstanding rates not paid as at the 30th June each year.
 - (c) On monthly rates accounts that have been changed to annual billing as a result of arrears, a 10% administration charge will be raised 60 days after that change.
- 16.3 Charge all costs incurred in the debt collection including any collection commission (if applicable) once the debt has been handed over for collection..
- 16.4 The general power to levy and recover administration charges and interest on any outstanding amount shall be determined by the municipality by resolution passed by the Municipal Council from time to time.

17. DEBT COLLECTION

- 17.1. The debt collection policy determines that municipal accounts shall be paid on the due date as indicated on the account and that non-payment of accounts will result in debt collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorised agent may: -
- (a) Institute legal proceedings against a customer for the arrears; or
 - (b) Hand the customer's account over to a debt collector or an attorney for collection.
- 17.2. A customer will be liable for any legal fees, cheque costs, postal charges, administration fees, short messages services, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the Municipality from time to time.
- 17.3. In the event of an occupier account being in arrears for more than 30 days, the registered owner will be informed of the arrears on the account and Council's intention of terminating the account and services and linking the meter to the owner's account. The debt will revert to the owner's account.

18. ARRANGEMENT

- 18.1. A customer may enter into an arrangement with the Municipality for the repayment of an arrear account by concluding:
- (a) An acknowledgement of debt shall be duly signed by both parties
 - (b) A consent to judgment.
 - (c) An emolument attachment order.
 - (d) Acknowledge that interest will be charged at the prescribed rate.
 - (e) Acknowledge that if the arrangements being negotiated later are defaulted on, disconnection of electricity or blocked from buying electricity on the Prepayment System will follow immediately, as will legal proceedings. Acknowledge liability of all legal costs incurred.
 - (f) Only account holders with positive proof of identity or an authorised agent with a power of attorney will be allowed to enter into an arrangement for the payment of arrear accounts in instalments.
 - (g) Failure to honour the agreement will lead to immediate blocking or restriction from purchasing prepaid electricity, disconnection of electricity, as well as legal action.
 - (h) Prior concluding the agreement the owner shall be compelled to produce the prepaid electricity card and or conventional meter number.
- 18.2. A customer shall be charged interest on an arrear account at the prescribed rate of interest.

- 18.3. Customers with electricity service accounts in arrears shall consent to the conversion of the electrical meter to a prepaid meter should the deposit held be less than the cost of conversion. The cost of such prepaid meter shall be paid in full before reconnection.
- 18.4. The Municipality, or its authorised agent, shall require a customer to first pay its current account before entering into an agreement to pay the arrears as set out in clause 18.1 above.
- 18.5. The municipality reserves the right to:
- (a) Raise the security deposit requirement of such customer who enters into an agreement in terms of clause 9.2.3. above, and
 - (b) Demand that a Deed of Suretyship be completed.
- 18.6 **Electricity/Consolidated Bill/ Sundry Debtors:** each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months.
- 18.7 The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

19 **ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS**

- 19.1 The Municipality may, at its discretion, enter into a Credit Agreement with customers in arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges.
- 19.2 All services must be consolidated into one account before an acknowledgement of debt is entered into.
- 19.3 The owner of a property must consent in writing to a Credit Agreement with the Municipality and his tenant, whereby he acknowledges that he is jointly and severally liable for all arrears should his tenant default.
- 19.4 Re connection and disconnection fees, where applicable, must be paid in full before any Credit agreement can be entered into.
- 19.5 A customer shall be charged interest on an arrear account at the prescribed rate of interest.

- 19.6 Customers with electricity service accounts in arrears shall consent to the conversion of the electrical meter to a prepaid meter should the deposit held be less than the cost of conversion. The cost of such prepaid meter shall be paid in full before reconnection.
- 19.7 The Municipality, or its authorised agent, shall require a customer to first pay its current account before entering into an agreement to pay the arrears and is bound to pay every current municipal account in full and on time during the period over which such arrangement extends
- 19.8 The Municipality reserves the right to:
- a) Raise the security deposit requirement of such customer who enters into an agreement in terms of clause 18 above, and
 - b) Demand that a Deed of Suretyship be completed.
- 19.9 Reconnection of the electricity services is not guaranteed to be effected on the same day of payment
- 19.10 By entering into an Arrangement to Pay the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with current account, interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.
- 19.11 Credit Agreements negotiated on business accounts shall require the agreement to be signed by a duly authorised Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company and or close corporation's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.
- 19.12 Credit agreements negotiated with Trusts shall require such agreement to be signed by a duly authorised trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trusts liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.
- 19.13 Details of the original amount of the Credit Agreement, the monthly instalments, and the current balance outstanding thereon, are included on each subsequent account until such time as the Credit Agreement is liquidated by full payment of the debt.

- 19.14 Credit Agreements may not be granted where:
- a) Arrears have arisen due to dishonoured cheques, direct debit reversals etc;
 - b) Instances of repeat meter tampering have been identified, or
 - c) The services have been removed.
- 19.15 Telephonic and other electronic request for payment. Council shall authorise credit control to:-
- a) Telephone customers between the hours of 18h00 to 20h00 to advise of the arrear account and request payment
 - b) To engage the services of a service provider to forward SMS messages to all customers in arrears.

20. BUSINESSES WHO TENDER TO THE MUNICIPALITY

- 20.1 When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipality accounts owing by the tenderer or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of noncompliance) have been made for the payments of arrears. To this end, copies of the all municipal accounts and the identity documents of all directors, members or partners must be submitted together with the bid document.
- 20.2 No tender shall be allocated to a person / contractor until suitable arrangement for the repayment of arrears, has been made. The tenderer must maintain arrangements and pay current installments as provided for in any contract with the Municipality.
- 20.3 Where payments are due to a contractor in respect of goods or services provided to the Council, any arrear amount owing to the Council shall be offset as a first charge against such payments as provided for in the contract with the Municipality.
- 20.4 A condition allowing the Municipality to deduct any moneys owing to the Municipality from Contract payments must be written into the agreement.

RATES ASSESSMENT

21. LIABILITY FOR RATES

- 21.1 The provisions of Chapter 3 shall apply in respect of the recovery of assessment rates.
- 21.2 All assessment rates due by owners are payable by fixed date as determined by Council.
- 21.3 Joint owners of property shall be jointly and severally liable for payment of assessment rates.

- 21.4. Assessment rates shall be levied in equal monthly instalments. When levied in equal monthly instalments the amount payable shall be included in the municipal account.
- 21.5. A property owner remains liable for the payment of assessment rates included in municipal accounts, notwithstanding the fact that: -
- (a) The property is not occupied by the owner thereof; and/or
 - (b) The municipal account is registered in the name of a person other than the owner of the property.
 - (c) The furnishing of an incorrect address.
- 21.6 Rates and all other municipal charges in respect of properties situated in special rating areas as designated by Council shall be paid in full before any payment is made to the Section 21 Company.

22. **MUNICIPAL CLEARANCE CERTIFICATES**

Subject to Sections 118(1) and (1A) of the Act, the following shall apply to the issue of a Municipal Clearance Certificate for the purpose of effecting transfer of a property to a new owner.

22.1 Assessments

22.1.1 Application shall be made by the Conveyancing Attorney, in the prescribed format by providing the following information in respect of the property in question:

- i. Present owner of the property;
- ii. Property description;
- iii. Physical address;
- iv. Rates Account No's;
- v. Electricity Account No's. (Or electricity meter no's.);
- vii Purchasers details; identity numbers and postal address and Purchasers domicilium citandi et executandi;
- viii With respect to Vacant Land, an Affidavit from the seller that the property does not have a electricity supply connection and an undertaking from the purchaser that should a electricity supply connection be discovered on the property and such account is in arrears, then the purchaser accepts liability for such arrears.

Copies of all the accounts must accompany the application. If the relevant information is not provided, the application will be returned to the conveyancer.

22.1.2 Every effort will be made to issue an assessment within five working days of receipt of application. Certain delays may be experienced in respect of:

- i. New sub-divisions;

- ii. Pending building plans;
- iii. Special investigations.

With respect to the aforesaid, the following is required to be submitted to the consultant valuers:

- a. a copy of the survey diagrams/general plans;
- b. a copy of the sale agreements;
- c. a copy of the relevant proclamation notices;
- d. seller contact details; and
- e. building plans on request.

Conveyancers will be notified of possible delays.

22.1.3. The assessment shall include the following:

- i. Rates for the balance of the year (to 30 June) still outstanding.

Where application is made after 01 January the assessment shall be for a period of six (6) months until the rate increases for the new financial year have been finalized and approved. After the 01st March the assessment will revert to the end of the new financial year.

- ii Electricity - Actual balance outstanding at date of assessment being approved less any deposit on hand.
- iii Other - Actual balance outstanding at date of application.
- iv Municipal Certificate Fee- As per the prescribed tariff.

22.1.4 Period of validity

The assessment shall remain valid for a period of 30 days. If payment has not been received within this period, a re-assessment may be required and payment of a further municipal clearance fee will apply.

22.1.5 The onus rests with the seller to ensure:

- i that all buildings on the property are in accordance with the building plans approved by the Municipality;
- ii the premises in question are being utilised in accordance with its zoning;
- iii that all outstanding accounts accruing to the Municipality in respect of the property is fully paid.

22.1.6 Any discrepancies in respect of the above may result in delays in issuing of a clearance certificate, and in addition may result in levying of additional backdated rates and / or

penalties and / or service charges.

22.1.7 Any amounts paid shall be appropriated to the oldest debt first.

22.1.8 Municipal Clearance Certificates

- i Every effort will be made to issue a Municipal Clearance Certificate within five days of receiving payment;
- ii Payment on the assessment must be made in cash or electronic fund transfer
- iii An unconditional letter of undertaking maybe accepted in lieu of a cash payment in fully motivated exceptional circumstances, and subject to the written approval of the Chief Financial Officer or in his absence the Director Revenue of the Municipality.
- iv The letter of undertaking must be:
 - Issued by the Conveyancing Attorney, in the prescribed format;
 - Unconditional;
 - For the full amount outstanding; and
 - For a specified period of time acceptable to the Municipality

22.1.8.1 An Attorney's Trust cheque may be accepted in lieu of cash payment.

22.1.8.2 There shall be no refunds on the cancellation of a sale.

22.1.8.3 The Certificate shall be valid for a period of 60 days from date of issue.

22.1.8.4 No certificate, in terms of Section 118 of the Systems Act shall be issued where the property owner has not complied with any relevant legislation, policy or agreement relating to the property in question.

23. **PROPERTY RATES**

- 23.1. All properties within the boundary of the KwaDukuza Municipality are to be valued in terms of the legislation applicable to the valuation of properties for the purposes of levying property rates.
- 23.2. Rebates on rates may be granted by Municipality in terms of the Municipality's rating policy.
- 23.3. Owners must pay the property rates in eleven equal monthly installments or over a period as determined by Council or by agreement pay rates on an annual basis. Regular monthly installments payments must be maintained.

24. **PAYMENT OF CURRENT RATES**

24.1. In terms of Section 26 of the Municipal Property Rates Act:

- i) A municipality may recover a rate –
 - (a) on a monthly basis or less often as may be prescribed in terms of the Municipal Finance Management Act; or
 - (b) annually, as may be agreed to with the owner of the property.
- ii) (a) If a rate is payable in a single amount annually it must be paid on or before a date determined by the municipality.
- (b) If a rate is payable in instalments it must be paid on or before a date in each period determined by the municipality.

24.2 In the event of the ratepayer failing to pay any three monthly instalments during the financial year in which the rates are raised then the ratepayer shall be liable to pay the full outstanding rates.

25. **UNALLOCATED CONSUMPTION**

- a) When electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised the relevant charges shall be raised against the registered owner.
- b) When a customer terminates a consumption account and no new customer registers, a property is deemed to be vacant. The account shall be forwarded to the owner until he advises the Municipality to the contrary:--
 - i) **for business premises** - instructions to disconnect the electricity supplies to the property must be issued immediately and actioned;
 - ii) **for residential premises** - a courtesy letter is forwarded to the new occupier or owner advising of the need to register as a customer and indicating the application procedures that need to be followed. Failure to respond to that letter within a 7 day period will result in the issue of supply disconnection instructions.

26. **ILLEGAL ELECTRICITY CONNECTION**

In the event of it being found that any electricity connection had been made illegally by any person than then the following shall take place:

- a) the electricity shall be disconnected with immediate effect
- b) The occupier/owner/developer jointly and severally shall pay a penalty as per the tariff of charges.
- c) The occupier/owner/developer shall be jointly and severally liable for consumption charges.
- d) The occupier/owner/developer shall be jointly and severally pay interest on the consumption

Charges at the rate as determined by Council in the tariff of charges from time to time, from the date of disconnection to date of payment.

- e) The applicant shall pay the outstanding municipal account in full, including current installment, interest and penalty fees, payment of unauthorized consumption, disconnection and reconnection fees, and increased in a deposits as determined by Council in the tariff of charges, shall become due and payable before any reconnection can be sanctioned.
- f) Where a consumer and/ or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tempering /interruption to the electricity.
- g) Application for new services shall only be accepted from the owner of the property.
- h) Application for new services shall only be accepted from the owner of the property.
- i) Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.
- j) No acknowledgement of debt shall be entertained.
- k) Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer.

27. **ASSISTANCE TO THE POOR**

- 27.1 The Municipality may extend indigent support to any customer on application to the Municipality in the prescribed manner as set out in the Municipality's Indigent Policy
- 27.2 Indigent support shall be withdrawn by the Municipality in the event of the recipient misusing the system or providing incorrect information. In this regard the Municipality shall:
 - i. Recover from the recipient the amount of relief furnished by debiting his account.
 - ii Apply the normal credit control in accordance with the Credit Control and Debt Control policy.
 - iii Institute a criminal charge of fraud against the recipient.

28. **DEBT RELIEF PROGRAMME**

- 28.1 Council shall promote assistance to the poorer by embarking on a debt relief programme, the indigent customer who cannot conclude the Acknowledgement of debt as per Council Credit Control and debt collection policy, shall adhere and undergone to the following procedures:
 - a) The indigent Customer shall be required to complete the income and expenditure form, in order to determine the minimum amount payable upfront when concluding the Acknowledgement of debt. All supporting documents shall be produced by an applicant, in order for Finance to conduct thorough system verification.
 - b) The acknowledgement of debt shall be approved only on condition that the system verification shall prove to be correct.
 - c) Upon approval of Acknowledgement of debt, the outstanding debt owed by indigent customer, shall not attract any interest and penalties, only on condition that the customer pays or maintains the current account.

29. **AGREEMENT WITH EMPLOYERS**

29.1 Section 103 of the Act reads as follows:--

"A Municipality may:

29.1.1 with the consent of a person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with that person's employer to deduct from the salary or wages of the person-

29.1.1.1 any outstanding amounts due by that person to the Municipality; or

29.1.1.2 such regular monthly amounts as may be agreed."

29.2 the onus to introduce such arrangements remains with each employer / employee.

30 **STAFF IN ARREARS**

30.1 Item 10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period."

30.2 The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction where appropriate, in terms of the Provisions of the Basic Conditions of Employment Act and other relevant legislation.

30.3 No special treatment shall be afforded to staff member whose accounts are arrears.

30.4 Once the arrears or debt is settled in full, the account will automatically revert to staff group account.

31. **COUNCILORS IN ARREARS**

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

31.1 The Municipality, upon consultation with the Councilor, shall make appropriate arrangements to have the arrears paid.

31.2 The Municipality shall liaise with the relevant Councilor and the Speaker, in order to issue the necessary salary deduction instruction where appropriate

31.3 No special treatment shall be afforded to the Councilor whose accounts are arrears.

31.4 Once the arrears or debt is settled in full, the account will automatically revert to the group account.

PART B – DEBT COLLECTION PROCEDURES**32. ARREAR MESSAGE ON ACCOUNTS**

- 32.1 When a monthly account is in arrears, the next account will clearly highlight an appropriate reminder message.

33. CONVERSIONAL ELECTRICITY METERS

- 33.1 Disconnection orders are issued after final payment date. Where arrears are brought forward, the above may not apply.
- 33.3 Re-connection instructions are issued as soon as:
- a) payment is received at an on-line facility:
 - b) proof of payment at an off-line facility is received; or
 - c) satisfactory credit arrangements have been entered into and we are accordingly advised of such payment (refer to 18.6.)

Re-connection action will be effected within 48 hours of payment.

- 33.4 Follow-up meter readings within one month are taken for all customers who fail to respond to the physical disconnection to ensure that the supply has, in fact, been disconnected and no payment received.
- 33.5 Where instances of illegal reconnection of supplies are detected by KwaDukuza Municipality, the supply is again disconnected by a more stringent method. Reconnection thereafter will only be effected if the relevant penalty tariff charges / disconnection fees together with any arrears are paid in full.
- 33.6 Further instances of tampering will result in the disconnection of the electricity supply and the removal of the relevant metering and connection equipment. Customers in such instances will then need to pay for the full costs of the new connection of a prepaid meter and all outstanding arrear charges before installation of the prepaid meter.
- 33.7 Electricity metering and connection equipment remain the property of the Municipality at all times and anyone involved in instances of tampering, damaging or theft thereof is committing a criminal offence and will be liable for prosecution and or civil claims/penalties by the Municipality.

34. **PREPAID ELECTRICITY METER**

Applications for prepaid electricity meter shall only be accepted from the Owner of the property.
The owner shall ensure:

- a) All applications are made and processed at the electrical department of KwaDukuza Municipality.
- b) The applicant is to obtain from the enquiry clerk at the finance department the full balance of any amount due, owing and payable in respect of any municipal account
- c) The applicant shall pay the outstanding municipal account in full
- d) Once payment has been made, the enquiries clerk at finance department shall issue a certificate to the customer reflecting that the outstanding municipal electricity accounts have been paid.
- e) The consumer shall only be able to purchase the prepaid electricity meter from the municipality after the certificate has been handed to the electrical department.
- f) Councils preferred metering system for domestic and certain business consumers is the prepayment metering system.
- g) Arrear debt of consumers with prepayment electricity meters shall be dealt with in terms of debt collection facilities available on the prepayment electricity system.

35. **TAMPERING AND/OR THEFT OF SERVICES ON PREPAID ELECTRICITY METER**

- 35.1 Any person found to be illegally connected to municipal services, tampering with prepaid electricity meters, will be prosecuted and shall be liable for:
- 35.2 The total outstanding debt, including the current instalment, interest and penalty fees (tamper fee), assessment of unauthorized consumption, will become due and payable before any reconnection can be sanctioned
- 35.3 The Customer or Consumer shall be obliged to make application for new electricity services.
- 35.4 Application for new services shall only be accepted from the owner of the property.
- 35.5 All applications are made and processed at the electrical department of KwaDukuza Municipality.
- 35.6 The applicant shall obtain from the enquiry clerk at the finance department, the full balance of any amount due, owing and payable in respect of any municipal account
- 35.7 The applicant shall pay the outstanding municipal account in full including the current instalment, interest and penalty fees (tamper fee), payment of unauthorized consumption, will become due and payable before any reconnection can be sanctioned
- 35.8 Where a consumer and/ or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tempering /interruption to the electricity.

- 35.9 Once payment has been made, the enquiries clerk at finance department shall issue a certificate to the customer reflecting that the outstanding municipal services and rates accounts have been paid in full.
- 35.10 On instances where the prepaid electricity meter has been found to be tampered with; Councils may prefer conversion of prepaid electricity metering system to conversional electricity metering system, conversion shall be implemented at the customers cost.
- 35.11 Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.
- 35.12 No acknowledgement of debt shall be entertained.
- 35.13 Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer.

36. CREDIT AGREEMENTS

- 36.1 The Municipality may, at its discretion, enter into a Credit Agreement with customers in arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges.
- 36.2 The owner of a property must consent in writing to a Credit Agreement with the municipality and his tenant, whereby he acknowledges that he is jointly and severally liable for all arrears should his tenant default.
- 36.3 Re-connection and disconnection fees, where applicable, must be paid in full before any Credit Agreement can be entered into.
- 36.4 By entering into a Credit Agreement the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken. This does not preclude any legal action that the Municipality may take.
- 36.5 Credit Agreements negotiated on business accounts shall require the agreement to be signed by a duly authorised Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company and or close corporation's liability to the Municipality. **Under no circumstances are agreements to be completed without such sureties.**
- 36.6 Credit agreements negotiated with Trusts shall require such agreement to be signed by a duly authorised trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trusts liability to the Municipality. **Under no circumstances are agreements to be completed without such sureties.**
- 35.7 Details of the original amount of the Credit Agreement, the monthly instalments, and the current balance outstanding thereon, are included on each subsequent account until such time as the Credit Agreement is liquidated by full payment of the debt.
- 36.8 Credit Agreements may not be granted where:
 - a. Arrears have arisen due to dishonored cheques, direct debit reversals etc;
 - b. Instances of repeat meter tampering have been identified, or

- c. The services have been removed.
- 36.9 Telephonic and other electronic request for payment. Council shall authorise credit control to:-
 - a) Telephone customers between the hours of 18h00 to 20h00 to advise of the arrear account and request payment
 - b) To engage the services of a service provider to forward SMS messages to all customers in arrears

37. **PROPERTY RATES AND CONSOLIDATED BILLING**

- 37.1 Property rates shall form part of the Consolidated Bill
- 37.2 Arrear rates or any other consolidated debt may result in disconnection of services.
- 37.3 The Municipality may, in terms of Section 28 of the Municipal Property Rates Act, recover arrear rates from tenants / managing agents in occupation of the relevant property but only to the extent of the rent payable or amount due by the tenant but not yet paid to the owner of the property. This does not preclude further legal action against the owner.
- 37.4 The Municipality may make application to court for judgment, costs and the summary sale of the property in appropriate circumstances. Legal costs and collection commission shall be debited to the relevant debtors accounts. In the event of the Municipality through its internal collection procedure recovering the debt from the customer, the customer shall be liable for any disbursements and collection commission.
- 37.5 Once judgment is obtained the properties will be advertised and sold through public auction.
- 37.6 The municipality shall follow the legal process to recover any portion of the debt outstanding for more than **forty five (45) days**.

38. **LEGAL ACTION**

- 38.1 Where an account rendered to a customer remains outstanding for more than forty five (45) days the Chief Financial Officer or in his absence the Director Revenue shall
 - (a) Hand the customer's account over to a debt collector or an attorney for collection.
 - (b) Institute legal proceedings through its authorised agents or attorney against a customer for the arrears; or
- 38.1.2. Legal steps shall be taken to collect arrears such as in the following cases;

- Where cut-off action yielded no satisfactory result;
- Where no cut off action is possible due to the nature of the services for which the account has been rendered
- Where the arrears are older than 45 days

38.1.3 A pre investigation into the account and debtor details is carried out before the preparation of a summons. The data of an appointed Credit Bureau is utilized. Telephonic or other forms of contact may be made with the debtor, at the municipality's discretion, prior to the issue of summons and / or other legal proceedings;

38.1.4. A customer will be liable for any legal fees, cheque costs, postal charges, administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the Municipality from time to time.

38.1.5 The following table shall be utilized to show the thresholds in respect of the debt value and the recovery action therein:

DEBT VALUE RAND	RECOVERY ACTION
Up to R500	Letter of Demand and/or Summons at the discretion of the C.F.O.
from R501 to R1000	Letter of Demand - Proceed to the issue of summons should the debtor appear to be of sufficient financial stature. Any further legal action is at the discretion of the Chief Financial Officer or the Director Revenue in his absence.
From R1000 onwards	Letter of Demand – Proceed to the issue of summons. Assess the likely financial stature of the debtor, incur tracing costs where appropriate and proceed along the legal route reviewing at each stage whether it is viable to continue incurring costs.

38.1.6 All Offers of Compromise, out of court settlement offers, and/or settlement offers for full and final payment received, are to be approved by the Council

38.1.7 The Municipality may enforce any other rights or exercise any power conferred on it by any other legislation.

38.1.8 The Municipality may through its own internal policy proceed to recover all outstanding debt and charge disbursements and collection charges.

38.1.9 If the Chief Financial Officer or in his absence the, Director Revenue is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost-effective, the Chief Financial Officer may recommend to the Council that such action be not commenced, or be discontinued or terminated.

38.1.10 The council shall then approve the write-off of such arrears, if it is satisfied with the reasons provided.

38.1.11 The Chief Financial Officer shall be authorized to approve the writes off, of all irrecoverable debts up to the value of R500.00, only on condition that satisfactory reason has been provided.

39. **DEBT ARRANGEMENT**

Customers have been categorised into the following income categories:-

- Indigent (Gross household income of less than the monthly amount determined by Council)
- Not indigent (Gross household income of more than the monthly amount determined by Council for indigent)
- Non-domestic (excludes Government Departments)
- Government Departments.

39.1 The principle of limited vending to encourage customers with arrears to buy a pre-determined amount of electricity per month, will apply.

39.2 The principle that the monthly account must be paid, will apply.

39.3 Indigent Customers (Prepaid electricity meter)

- (a) Indigent customers with arrears will be put on the information block, which will notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement have been made with Council.
- (b) Indigent consumers will be required to pay 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 36 months.
- (c) The total block can only be removed after the necessary payment arrangements have been made with Council.
- (d) Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.
- (e) Indigent customers will be allowed to purchase average monthly electricity consumption of such consumer with the maximum amount of electricity as determined from time to time.

39.4 Arrangements by indigent customers (Conventional electricity meter)

a) Indigent customers may have their credit electricity meters converted to prepayment electricity meters at Council discretion; all cost of conversion shall be paid by the customer.

b) Arrangement for the payment of debt shall be payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 36 months.

c) The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion

39.5 Non-Indigent Customers

(a) Non-indigent customers with arrears will be put on the information block, which will notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement have been made with Council.

b) Payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 6 months.

c) The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

39.6 Debt arrangement – Prepayment system

39.6.1 The prepayment electricity system implemented by Council has a debt management facility.

The Debt Management facility provides various blocking types, which can be utilised to collect arrear debt.

39.6.2 The various blocking types can be described as follows:

- **Information/Partial Block**

The system will inform the consumer that a purchase can be made but that after the purchase a total block will be put on the consumers account automatically by the system. To unblock the system:-

The arrear debt must be paid in full, or
Arrangements must be made to pay off the arrear debt and the arrangements have been captured on the system.

- **Total Block**

The consumer is blocked from buying electricity due to arrear debt and can be unblocked when:-

The arrear debt is paid in full.
Arrangements have been made to pay off the arrear debt and the arrangements have been captured on the system.

39.6.3 Minimum monthly instalment with monthly vend limit

The consumer arranges to pay a minimum monthly instalment and to purchase a limited amount of electricity to be purchased is to prevent consumer's from purchasing more than one month's electricity to avoid arrear payments. The minimum monthly instalment includes the consumer's monthly account plus a payment to arrears. If the consumer pays less than the minimum instalment the system will not allow purchase of electricity. If the consumer pays more, the additional amount is taken off the outstanding arrears, but the monthly instalment stays the same until his arrears are paid off.

39.6.4 Minimum weekly instalment with weekly vend limit

Same as 36.6.3 above but weekly instalments are arrangements with weekly limits on the amount of electricity to be purchased.

- 39.6.5 Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.

40. **BAD AND DOUBTFUL DEBT PROVISION**

Bad and doubtful provisions should be calculated and provided in the accounting records as follows:

- 40.1 The provision for bad and doubtful debt will be calculated in terms of the relevant generally recognised accounting practices.

PART C – CUSTOMER CARE MANAGEMENT

41. CUSTOMER CARE MANAGEMENT

The municipality shall, for the levying of rates and taxes for the **municipal charges**, within its final and administrative capacity, have the following principles pertaining to customer care and management:

41.1 Establish a sound management system between the consumer and the municipality, to create a harmonious relationship between the consumer and the municipality so that consumers are treated with respect and dignity.

41.2 To establish a customer call centre, with a shared call facility to attend to the following:

- a. To receive communication from consumers regarding the quality of service, performance of the municipality and the accuracy of the accounts.
- b. To enable consumers to query and verify their accounts (metered electricity accounts, rates and refuse, sundry and housing) and to promptly resolve the query and rectify the inaccurate account. The queries or complaints in respect of account may be dealt with as follows:
- c. A customer may lodge a query or complaint in respect of any accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.
- d. A query or complaint must be lodged with the municipality or its authorised agent before the due date for payment of the account

41.2.1 A query or complaint must be accompanied by the payment of the average of the last three month's accounts where history of the account is available or an estimated amount provided by the municipality before payment due date until the matter is resolved.

41.2.2 The municipality or its authorized agent will register the query or complaint and provide the customer with a reference number.

41.2.3 The municipality or its authorized agent:-

- (a) shall investigate or cause the query or complaint to be investigate and
- (b) must inform the customer, in writing, of its finding within fourteen (14) days after the query or complaint was registered.

41.2.4 Failure to make such agreed interim payment or payments will render the customer liable for disconnection.

41.3. To inform the **consumer** that if they are dissatisfied with the manner in which their query was handled to follow a stipulated procedure of appeal to the Chief Financial Officer who shall promptly attend to the complaint. The consumer may appeal against finding of a municipality in respect of queries or complaints as follows:

41.3.1. A customer may appeal in writing against a finding of the municipality or its authorized

agent in terms of Section 62 of the Municipal System Act.

- 41.3.2 An appeal and request in terms of subsection (1) must be made in writing and lodged with the municipality within 21 days after the customer became aware of the finding referred to in section 39.2.3 b above and must:
 - (a) set out the reason for the appeal; and
 - (b) be accompanied by any security determined for the testing of a measuring device, if applicable.
- 41.4. To ensure that the Manager Income receives daily reports on such queries and monitors the response time and the efficiency in dealing with the query.
- 41.5. To take reasonable steps to inform customers of the costs involved in the service, the changes to tariffs and policies, reasons for payment of the service fees and how their payments are utilized to provide the service.
- 41.6. To provide regular and accurate accounts to the customer with details reflecting the basis for the calculation of the amount due in order to ensure that the customer pays the account with satisfaction that the account is correct.
- 41.7. To provide:
 - 41.7.1 An electronic facility for the payment of accounts to the municipality's bank account.
 - 41.7.2 Adequate and accessible pay points within the jurisdiction of the municipality for the payment of accounts and the purchase of pre-paid electricity.
 - 41.7.3 Council will endeavour, within the constraints of affordability, to notify arrear debtors on the state of their arrears and to encourage them to pay. They will be informed on their rights (if any) to conclude arrangements or to apply for indigent subsidies should they comply with the conditions, and other related matters.
 - 41.7.4 Such notification is not a right to debtors with arrears but a courtesy from the Council to improve payment levels and relations. Disconnection / restriction of services and other collection proceedings will continue in the absence of such notices and contact with debtors for whatever reason.

UNAUTHORISED AND ILLEGAL SERVICES

42. UNAUTHORISED SERVICES

- 42.1. No person may gain access to municipal services unless it is in terms of an agreement entered into with the municipality or its authorised agent for the rendering of those services.
- 42.2. The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of these bylaws, by written notice, order a person who is using unauthorised services to: -

- (a) Apply for such services in terms of Chapter 2 Part 1 of the Bylaws;
- (b) Pay the demand based component and tampering fees as prescribed in the tariff of charges.
- (c) Undertake such work, as may be necessary to ensure that the unauthorised customer installation complies with provisions of these or any other relevant bylaws.

42.3. Any agreement, entered into before the date of coming into effect of these bylaws, and which is in full force and effect, shall be deemed to have been entered into in terms of these bylaws and shall remain in force and effect until cancelled.

43. **INTERFERENCE WITH INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES**

- 43.1. No person other than the municipality or its authorised agent shall manage, operate or maintain infrastructure through which municipal services are provided.
- 43.2. No person other than the municipality or its authorised agent shall effect a connection to infrastructure through which municipal services provided.

44. **OBSTRUCTION OF ACCESS TO INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES**

- 44.1. No person shall prevent or restrict physical access to an infrastructure through which municipal services are provided.
- 44.2. If a person contravenes subsection (1), the municipality or its authorised agent may: -
 - (a) By written notice require such person to restore access at his/her own expense within a specified period, or
 - (b) If it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

45. **ILLEGAL RE-CONNECTION**

- 45.1. A person who illegally reconnects to a service, interferes with the infrastructure through which municipal services are provided, after such customers access to municipal services have been disconnected, such customers supply of electricity shall be immediately removed.
- 45.2. A person who re-connects to municipal services in the circumstances referred to in subsection 42.1 shall be liable for the cost associated with any consumption, notwithstanding any other actions which may be taken against such a person.
- 45.3. In the event that the demand based component was not paid, the tampering shall fee be applicable.

46. **IMMEDIATE DISCONNECTION**

- 46.1. Immediate disconnection will be effected for failure to give information or provide of false information.
- 46.2. The provision of municipal services may immediately be disconnected if any person fails to provide information or provide false information reasonably requested by the municipality or its authorised agent

47 **READING OF CREDIT METERS**

- 47.1 Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed or minimum charges due in terms of the tariff shall be assessed accordingly. The Municipality shall not be obliged to effect any adjustments to such charges.
- 47.2 If for any reasons the credit meter cannot be read, the Municipality may render an estimated account. The electrical energy consumed shall be adjusted in a subsequent account in accordance with the electrical actually consumed.
- 47.3 When a consumer vacates a property and a final reading of the meter is not possible, estimation may be made and the final account rendered accordingly.
- 47.4 If special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee.
- 47.5 If any calculating reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts. Any such correction shall only apply in respect of accounts for a period of 36 months preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period.

48 **DECEASED ESTATES**

- 48.1 The Executor of a deceased estate, in his capacity as such, shall be liable for payments of all debts on the property.
- 48.2 Where the property was previously governed by Black Administrations Act, and the estate not yet been finalized, the occupants of the property shall be regarded as "Deemed Owners for the purposes of the account only, and shall be responsible for payment of consolidated accounts (including rates).
- 48.3 Deemed ownership does not confer any rights to the occupants other than the liability to pay the accounts.
- 48.4 Failure to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor has been appointed.

49 **INCENTIVE SCHEME**

- 49.1 The Municipality may institute incentive schemes to encourage prompt payment.

50. **REFUNDS**

50.1 Refunds shall only be issued, provided that all the customers' accounts are paid in full, credits on accounts shall be refunded, on application, as follows:

- a) To the account holder, for rates and services account;
- b) To the owner, where the owner pays the tenants account;
- c) To the conveyancer to pay the buyer or seller, on transfer of a property, this includes any credits that may arise from an objection appeal outcome or an over payment of the account.

51 **COMPLIANCE AND ENFORCEMENT**

a) Violation of or non-compliance with this policy will give a just cause of disciplinary steps to being taken.

- a) It will be the responsibility of Accounting Officer to enforce compliance with this policy.

52 **EFFECTIVE DATE**

The policy shall come to effect upon approval by Council.

53 **POLICY ADOPTION**

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Resolution No: _____

Approval Date _____

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KWADUKUZA LOCAL MUNICIPALITY

“The Municipality”



BUDGET POLICY

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20. Annexure I (Legal Requirements)

1. PRELUDE

The definitions and policy hereunder is to bread in conjunction with the other key policies of the municipality.

2. DEFINITIONS

2.1 “Accounting Officer” means the Municipal Manager of KwaDukuza Municipality;

2.2 “allocation” means –

- i) a municipality's share of the local government's equitable share referred to in Section 214(l) (a) of the Constitution;
- ii) an allocation of money to a municipality in terms of Section 214(1) (c) of the Constitution;
- iii) an allocation of money to a municipality in terms of a provincial budget; or
- iv) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction.

2.3 “Annual Division of Revenue Act” means the Act of Parliament, which must be enacted annually in terms of Section 214(1) of the Constitution;

2.4 “approved budget” means an annual budget -

- a) approved by a municipal COUNCIL, or
- b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA.

2.5 “basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.

- 2.6 **“budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the Municipality, including -
- a) the tariffs policy, which the Municipality must adopt in terms of Section 74 of the Municipal Systems Act;
 - b) the rates policy which the Municipality must adopt in terms of Section 3 of the Municipal Property Rates Act;
 - c) the credit control and debt collection policy, which the Municipality must adopt in terms of Section 96 of the Municipal Systems Act;
- 2.7 **“budget transfer”** means transfer of funding within a function / vote.
- 2.8 **“budget year”** means the financial year of the Municipality for which an annual budget is to be approved in terms of Section 16(1) of the MFMA;
- 2.9 **“Chief Financial Officer”** means the Chief Financial Officer of KwaDukuza Local Municipality or his delegate;
- 2.10 **“Council”** means a member of a municipal COUNCIL;
- 2.11 **“creditor”** means a person to whom money is owed by the Municipality;
- 2.12 **“current year”** means the financial year, which has already commenced, but not yet ended;
- 2.13 **“delegation”** in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;
- 2.14 **“financial recovery plan”** means a plan prepared in terms of Section 141 of the MFMA;
- 2.15 **“Financial Statements”** means statements consisting of at least -
- a) a statement of financial position;
 - b) a statement of financial performance;
 - c) a cash-flow statement;
 - d) any other statements that may be prescribed; and
 - e) any notes to these statements;

- 2.16 **“financial year”** means a twelve months period commencing on 1 July and ending on 30 June each year;
- 2.17 **“financing agreement”** includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;
- 2.18 **“fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;
- 2.19 **“irregular expenditure”, means –**
- a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of Section 170 of the MFMA;
 - b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
 - c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 20 of 1998); or
 - d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the Municipality or entity or any of the Municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";
- 2.20 **“investment”** in relation to funds of a municipality, means -
- a) the placing on deposit of funds of a municipality with a financial institution; or
 - b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;
- 2.21 **“lender”** means a person who provides debt finance to a municipality;

- 2.22 **“local community”** has the meaning assigned to it in Section 1 of the Municipal Systems Act;
- 2.23 **“Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and its subsequent promulgated amendments;
- 2.24 **“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and its subsequent promulgated amendments;
- 2.25 **“long-term debt”** means debt repayable over a period exceeding one year;
- 2.26 **“Mayor”** means the Councillor elected as the Mayor of the Municipality in terms of Section 55 of the Municipal Structures Act;
- 2.27 **“Municipal COUNCIL” or “COUNCIL”** means the COUNCIL of the Municipality referred to in Section 18 of the Municipal Structures Act;
- 2.28 **“municipal debt instrument”** means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;
- 2.29 **“municipal entity”** has the meaning assigned to it in Section 1 of the Municipal Systems Act (refer to the MSA for definition);
- 2.30 **“municipality”** –
- a) Refers to KwaDukuza Municipality;
- 2.31 **“municipal service”** has the meaning assigned to it in Section 1 of the Municipal Systems Act (refer to the MSA for definition);
- 2.32 **“municipal tariff”** means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
- 2.33 **“municipal tax”** means property rates or other taxes, levies or duties that a municipality may impose;

- 2.34 “National Treasury”** means the National Treasury established by Section 5 of the Public Finance Management Act;
- 2.35 “official”** means -
- a) an employee of a municipality or municipal entity;
 - b) a person seconded to a municipality or municipal entity to work as a member of the staff of the Municipality or municipal entity; or
 - c) a person contracted by a municipality or municipal entity to work as a member of the staff of the Municipality or municipal entity otherwise than as an employee;
- 2.36 “overspending”** means -
- a) causing the operational or capital expenditure incurred by the Municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
 - b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
 - c) in relation to expenditure under Section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;
- 2.37 “past financial year”** means the financial year preceding the current year;
- 2.38 “quarter”** means any of the following periods in a financial year:
- a) 1 July to 30 September;
 - b) 1 October to 31 December;
 - c) 1 January to 31 March; or
 - d) 1 April to 30 June.
- 2.39 “Service Delivery and Budget Implementation Plan”** means a detailed plan approved by the Mayor of a municipality in terms of Section 53(l)(c)(ii) of the MFMA for implementing the Municipality's delivery of municipal services and its annual budget, and which must indicate :
- a) projections for each month of:
 - i) revenue to be collected, by source and vote; and
 - ii) operational and capital expenditure, by vote;
 - b) service delivery targets and performance indicators for each quarter; and

- c) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of Section 54(1)(c) of the MFMA;

2.40 “**short-term debt**” means debt repayable over a period not exceeding one year;

2.41 “**Standards of Generally Recognised Accounting Practice**” means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board;

2.42 “**unauthorised expenditure**” means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

- a) overspending of the total amount appropriated in the Municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
- c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- f) a grant by the Municipality otherwise than in accordance with the MFMA;

2.43 “**Virement**” means transfer of funds between functions / votes

2.44 “**vote**” means

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. INTRODUCTION

- a) In terms of the Municipal Finance Management Act, Act 56 of 2003, Chapter 4 on Municipal Budgets, subsection (16), states that the COUNCIL of a municipality must for each financial year approve an Annual Budget for the Municipality before the commencement of that financial year. According to subsection (2) of the Act concerned (MFMA), in order to comply with subsection (1) of the MFMA, the Mayor of the Municipality must table the Annual Budget at a COUNCIL meeting at least 90 days before the start of the budget year. This Policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.
- b) A Municipality must, in terms Chapter 5, section 25(1) of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000), undertake developmentally oriented planning. It must adopt a single, inclusive and strategic plan in the form of an Integrated Development Plan (IDP). This must form the policy framework and general basis on which annual budgets must be based.

4. OBJECTIVE

- a) The objective of the Budget Policy is to set out:
- i) The principles which the Municipality will follow in preparing each medium term revenue and expenditure framework budget;
 - ii) The responsibilities of the Mayor, the Accounting Officer, the Chief Financial Officer and other senior managers in compiling the budget;
 - iii) To ensure that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

5. BUDGETING PRINCIPLES

5.1 The Municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.

5.2 Expenses may only be incurred in terms of the approved Annual Budget (or Adjustment Budget) and within the limits of the amounts appropriated for each vote in the approved Budget.

- 5.3 The Municipality shall prepare a three-year Budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by COUNCIL.
- 5.4 The MTREF Budget must at all times be within the framework of the Municipal Integrated Development Plan.
- 5.5 The Annual Budget will only be funded from realistic anticipated revenues to be collected; cash backed accumulated funds not committed for other purposes and borrowed funds, but only for the Capital Budget.

6 RESPONSIBILITIES OF THE ACCOUNTING OFFICER

- 6.1 The Accounting Officer shall be responsible for the following functions in terms of Section 68 of the MFMA:
 - 6.1.1 Assisting the Mayor in performing the budgetary functions assigned to the Mayor in terms of chapter 4 and 7 of the MFMA; and
 - 6.1.2 Providing the Mayor with the administrative support, resources and information necessary for the performance of those functions.
- 6.2 The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer for the purpose of preparing the budget, and to that end, each Process Manager shall prepare and submit to the Chief Financial Officer by a date determined by the Chief Financial Officer annually a draft budget for his/her department; provided that nothing contained in this section shall derogate from the responsibility of the Strategic Chief Financial Officer of preparing the municipal budget as provided for in subsection 7.5 below.
- 6.3 The Accounting Officer shall comply with all requirements of the Sections 69, 70, 71, 72, 73, 74, 75 and 76 of the MFMA and ensuring that the operations of the COUNCIL are achieved within the approved budget and financial targets; and allocation of funds within the departments.

7 RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

- 7.1 Without derogating in any way from the legal responsibilities of the Accounting Officer as Accounting Officer, the Chief Financial Officer shall be responsible for preparing the draft annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the service delivery and budget implementation plan (including the alignment of such projections with the cash management programme prepared in terms of the banking, cash management and investments policy), and shall be accountable to the Accounting Officer in regard to the performance of these functions.
- 7.2 The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer into these budget processes.
- 7.3 The Chief Financial Officer shall draft the budget timetable for the ensuing financial year for the Mayor's approval, and shall indicate in such timetable the target dates for the draft revision of the annual budget and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the Municipal Finance Management Act, and target dates for the submission of all the budget-related documentation.
- 7.4 Except where the Chief Financial Officer, with the consent of the Accounting Officer, decides otherwise, the sequence in which each annual budget and adjustments budget shall be prepared, shall be: first, the operating component, and second, the capital component. The operating component shall duly reflect the impact of the capital component on:
- depreciation charges.
 - repairs and maintenance expenses
 - interest payable on external borrowings
 - other operating expenses.
- 7.5 In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each vote, provided that in so doing the Chief Financial Officer shall properly and adequately reflect the organisational structure of the Municipality, and further in so doing shall comply – in so far as the organisational structure permits – also with the prescribed budget format of National Treasury.

- 7.6 The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to insurance and the contributions to the provisions for bad debts, accrued leave entitlements and obsolescence of stocks.
- 7.7 The Chief Financial Officer shall further, with the approval of the Mayor and the Accounting Officer, determine the recommended contribution to the asset financing reserve and any special contributions to insurance.
- 7.8 The Chief Financial Officer shall also, again with the approval of the Mayor and the Accounting Officer, and having regard to the Municipality's current financial performance, determine the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.
- 7.9 The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget. The Chief Financial Officer shall submit these monthly reports to all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.
- 7.10 The Chief Financial Officer shall provide technical and administrative support to the Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes, which must precede the approval of such budgets.
- 7.11 The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- 7.12 The Chief Financial Officer shall make recommendations on the financing of the draft capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.

7.13 The Chief Financial Officer shall ensure that the cost of indigency relief is separately reflected in the appropriate votes.

7.14 The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations (other than the equitable share) are appropriately recorded.

8 BUDGET PREPARATION PROCESS

8.1 Formulation of the budget

- a) The Accounting Officer with the assistance of the Chief Financial Officer and the Manager responsible for IDP shall draft the IDP process plan as well as the budget timetable for the Municipality including municipal entities for the ensuing financial year.
- b) The Mayor shall table the IDP process plan as well as the budget timetable to COUNCIL by 31 August each year for approval (10 months before the start of the next budget year).
- c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the Annual Budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- d) The Mayor shall convene a strategic workshop annually with the Mayoral Committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF Budget taking into account the financial and political pressures facing the Municipality. The Mayor shall table the IDP priorities with the draft Budget to COUNCIL.
- e) The Mayor shall table the draft IDP and MTREF Budget to COUNCIL by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings et cetera).
- f) The Chief Financial Officer and senior managers undertake the technical preparation of the Budget.

- g) The Budget must be in the prescribed format, and must be divided into Capital and Operating Budget.
- h) The Budget must reflect the realistically anticipated (expected) revenues by major source for the budget year concerned.
- i) The expenditure for the budget year will be appropriated under the different votes of the Municipality.
- j) The Budget must also contain the information related to the two financial years following the financial year to which the Budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

8.2 Public participation process

- a) Immediately after the draft Annual Budget has been tabled, the Municipality must convene hearings on the draft Budget in April and invite the public, stakeholder organisations, to make representation at the COUNCIL hearings and to submit comments in response to the draft Budget.

8.3 Approval of the budget

- a) COUNCIL shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- b) Should the Municipality fail to approve the budget before the start of the budget year, the Mayor must inform the MEC for Finance that the Budget has not been approved.

- c) The Budget tabled to COUNCIL for approval shall include the following supporting documents:
- i. draft resolutions approving the Budget and imposing any municipal taxes and setting of municipal tariffs for the financial year concerned;
 - ii. draft resolutions approving any other matter that may be prescribed for the financial year concerned;
 - iii. measurable performance objectives for each budget vote, taking into account the Municipality's IDP;
 - iv. the projected cash flows for the financial year by revenue sources and expenditure votes;
 - v. any proposed amendments to the IDP;
 - vi. any proposed amendments to the budget-related policies;
 - vii. the cost to the Municipality of the salaries, allowances and other benefits of its political office-bearers and other Councillors, the Accounting Officer, the Chief Financial Officer, and other senior managers;
 - viii. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the Municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
 - ix. particulars of the Municipality's investments; and
 - x. various information in regard to municipal entities under the shared or sole control of the Municipality
 - xi. particulars of any proposed service delivery agreements, including amendments to existing service delivery agreements.
- d) Furthermore, a report detailing all comments received from the public, National Treasury, Provincial Treasury, and all organs of state and municipalities affected by the budget, as well as the action taken by the Municipality in addressing these comments, shall be tabled to Council with the budget for approval.

8.4 Publication of the budget

- a) Within 14 days after the draft Annual Budget has been tabled, the Director: Communications must make public the budget and invite the local community to submit presentations in connection with the budget.

- b) The Chief Financial Officer must within 14 days submit the tabled budget in both printed and electronic formats to the National Treasury, the Provincial Treasury.
- c) The Executive Director: Corporate Services must within 3 days after the budget has been tabled enter it on the municipal website.

8.5 Consultation of tabled budgets

- a) Within fourteen (14) days after the public participation process has expired the Mayor must consider all budget submissions and if necessary, revise the budget and table amendments for consideration by COUNCIL.

8.6 Service Delivery and Budget Implementation Plan (SDBIP)

- a) The Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by COUNCIL.
- b) The SDBIP shall include the following components:
 - i. Monthly projections of revenue to be collected from each source;
 - ii. Monthly projections of expenditure (operating and capital) and revenue for each vote;
 - iii. Quarterly projections of service delivery targets and performance indicators for each vote;
 - iv. Ward information for capital expenditure and service delivery;

9. CAPITAL BUDGET

- a) Expenditure of a project shall be included in the Capital Budget if it meets the asset definition in terms of Council's approved Asset Management Policy.
- b) Vehicle replacement shall be done in terms of COUNCIL's Vehicle Replacement Policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the Capital Budget.

- d) The envisaged sources of funding for the Capital Budget must be properly considered and the COUNCIL must be satisfied that this funding is available and has not been committed for other purposes.
- e) Before approving a capital project, the COUNCIL must consider:
 - i. the projected cost of the project over all the ensuing financial years until the project becomes operational;
 - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on Operating Budget (that is: on property rates and service tariffs).
- f) Before approving the Capital Budget, the COUNCIL shall consider :
 - i. the impact on the present and future operating budgets of the Municipality in relation to finance charges to be incurred on external loans;
 - ii. depreciation of fixed assets;
 - iii. maintenance of fixed assets; and
 - iv. any other ordinary operational expenses associated with any item on such Capital Budget.
- g) COUNCIL shall approve the Annual or Adjustment Capital Budget only if it has been properly balanced and fully funded.
- h) the capital expenditure shall be funded from the following sources:

9.1 Revenue or Surplus

- a. If any project is to be financed from own funds this financing must be included in the cash budget to raise sufficient cash for the expenditure.
- b. If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

9.2 External loans

- a. External loans can be raised only if it is linked to the financing of an asset;

- b. A capital project to be financed from an external loan can only be included in the Budget if the loan has been secured or if can be reasonably assumed as being secured;
- c. The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
- d. Interest payable on external loans shall be included as a cost in the revenue budget;
- e. Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

9.3 Grant Funding

- a. Capital Grant Funding must be budgeted for in accordance with GRAP.
- b. Capital expenditure funded from grants must be budgeted for in the Capital Budget;
- c. Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts.
- d. Grant funding must be cash backed.

10. OPERATING BUDGET

- a) The Municipality shall budget in each annual and adjustments budget for the contribution to:
 - i) provision for accrued leave entitlements.
 - ii) entitlement of officials as at 30 June of each financial year;
 - iii) provision for bad debts in accordance with its Rates and Tariffs Policies;
 - iv) provision for the obsolescence and deterioration of stock in accordance with its Supply Chain Management Policy;
 - v) depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;

- vi) at least 7% of the Operating Budget component of each annual and Adjustment Budget shall be set aside for maintenance, to be included in the Operative Budget;
 - vii) at least 1% of the Employee Costs in the Operating budget component of each Annual and adjustments budget shall be set aside for skills development;
 - ix) provision of rehabilitation of land fill sites.
- b) When considering the tabled Annual Budget, COUNCIL shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- d) The Operating Budget shall reflect the impact of the capital component on:
- i) depreciation charges;
 - ii) repairs and maintenance expenses;
 - ii) interest payable on external borrowings and other operating expenses.
- e) The Chief Financial Officer shall ensure that the cost of indigency relief is separately reflected in the appropriate votes.

11. FUNDING OF CAPITAL AND OPERATING BUDGET

- a) The budget may be financed only from:
- i) realistically anticipated (expected) revenues, based on current and previous collection levels;
 - ii) cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
 - iii) borrowed funds in respect of the capital budget only.

12. UNSPENT FUNDS / ROLL OVER OF BUDGET

12.1 This paragraph outlines procedures dealing with unspent funds and roll-overs:

- i. The appropriation of funds in an Annual or Adjustment Budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure which has already been committed for which can be re- budgeted for;
- ii. Only unspent grant (if the conditions for such grant funding allows that) or loan funded Capital Budget may be rolled over to the next budget year;
- iii. Conditions of the grant fund shall be taken into account in applying for such roll over of funds;
- iv. Application for roll over of funds shall be forwarded to the Budget Office by the end of 15th April each year to be included in next year's Budget for adoption by COUNCIL in May.
- v. No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- vi. No unspent Operating Budget shall be rolled over to the next budget year.

12.2 Criteria for the rollover of conditional grant funds

- a) Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA (read together with regulation 23(5) of the Municipal Budget and Reporting Regulations) because they are national/provincial funds. The applicable rollover process is then effected through the national/provincial adjustments budget in November each year.

- b) Section 21 of the 2012 Division of Revenue Act requires that any conditional grants which are not spent at the end of the Municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over. When applying to retain unspent conditional allocations
- c) committed to identifiable projects or requesting a rollover in terms of section 21(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –
1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 20(2) of the 2011 of DoRA;
 2. List of all the projects that are linked to the unspent conditional grants;
 3. Evidence that work on each of the projects has commenced, namely either of the Following:
 - i) Proof that the project tender was published and the period for tender submissions closed before 30 June; or
 - ii) Proof that a contract for delivery of the project was signed before 30 June.
 - iii) A progress report on the state of implementation of each of the projects;
 - iv) The amount of funds committed to each project, and the conditional allocation from which the funds come from; and
 - v) An indication of the time-period within which the funds are to be spent.

12.3 Unspent conditional grant funds

12.3.1 The paragraph outlines the process on unspent conditional grant funds

- a) To bring legal certainty to the process of managing unspent conditional grant funds, the latest section 21 of the Division of Revenue Bill must be referred to. The process to ensure the return of unspent conditional grants for the 2011/12 financial year will be managed in accordance with section 21 set out above. The following practical arrangements will apply –

- I.**Step 1:** Municipalities must submit the June conditional grant expenditure reports according to section 71 of MFMA reflecting all accrued expenditure on conditional grants.
- II.**Step 2:** When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June every year. These amounts **MUST** exclude all interest earned on conditional grants and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.
- III.**Step 3:** If the receiving officer wants to motivate in terms of section 20(5)(b) that the funds have been spent or are committed to identifiable projects or wants to propose an alternative payment method or schedule the required information must be submitted to National Treasury by 31 August every year. ***National Treasury will not consider any rollover requests that are incomplete (see item 5.6 below) or that are received after this deadline.***
- IV.**Step 4:** National Treasury will confirm in writing whether or not the Municipality may retain as a rollover any of the unspent funds because they are committed to identifiable projects or whether it has agreed to any alternative payment methods or schedules by 01 October every year.
- V.**Step 5:** A municipality must return the remaining unspent conditional grant funds that are not subject of a specific repayment agreement with National Treasury to the National Revenue Fund by 19 October every year. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 21(7) of the Division of Revenue Act.
- VI.**Step 6:** Any unspent conditional grant funds that should have been repaid to the National Revenue Fund by 19 October every year will be offset against the Municipality's November equitable share allocation.
- b) To note that all the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

13. BUDGET TRANSFERS AND VIREMENTS

- a) Any matter relating to the budget transfers and virements shall be dealt with in terms of the applicable Virement Policy.

14. ADJUSTMENT BUDGET

- a) In the case of an emergency or any other exceptional circumstances virements shall be submitted by the Accounting Officer to the Mayor to authorize any possible unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.
- b) The Mayor must report such expenditure to the COUNCIL at its next meeting which should not be departed more than 60 (sixty) days from approval of expenditure.
- c) The Chief Financial Officer shall ensure that the Adjustment Budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- d) COUNCIL may revise its Annual Budget by means of an Adjustment Budget at most three times a year.
- e) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- f) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by COUNCIL.
- g) The COUNCIL shall in such Adjustment Budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.

- h) The COUNCIL should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the Annual Budget was approved by the COUNCIL.
- i) Only the Mayor shall table an Adjustment Budget. Adjustment Budget shall be done at most three times a year after the end of each quarter and be submitted to COUNCIL :
 - 1. In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources;
 - 2. February – to take into account recommendations from the Mid-Year Budget and Performance Report tabled to COUNCIL in January that affect the Annual Budget;
 - 3. May – final budget adjustment to adjust current year's budget in cases where there is an indication that there will be rolling over of funding to the next financial year;
- j) An Adjustment Budget must contain all of the following:
 - i) an explanation of how the adjustments affect the approved Annual Budget;
 - ii) appropriate motivations for material adjustments; and
 - iii) an explanation of the impact of any increased spending on the current and future annual budgets.
- k) Any unappropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget.
- l) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- m) Unauthorised expenses may not be authorised in an Adjustment Budget apart from prescribed processes.

- n) In regard to unforeseen and unavoidable expenditure, the following apply:
- i) the Mayor may authorise such expenses in an emergency or other exceptional circumstances;
 - ii) the Municipality may not exceed 1% of the approved Annual Budget in respect of such unforeseen and unavoidable expenses;
 - iii) these expenses must be reported by the Mayor in the next COUNCIL meeting.
 - iv) the expenses must be appropriated in an Adjustment Budget; and
 - v) COUNCIL must pass the adjustment budget within sixty days after the expenses were incurred.

15. BUDGET IMPLEMENTATION

15.1. Monitoring

- a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
 - i) funds are spent in accordance with the Budget;
 - ii) expenses are reduced if expected revenues are less than projected; and
 - iii) revenues and expenses are properly monitored.
- b) The Accounting Officer with the assistance of the Chief Financial Officer must prepare any Adjustment Budget when such budget is necessary and submit it to the Mayor for consideration and tabling to COUNCIL.
- b) The Accounting Officer must report in writing to the COUNCIL any impending shortfalls in the Annual Revenue Budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

15.2. Reporting

15.2.1. Monthly budget statements

- a) The Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the Municipality's Budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.
- b) The Accounting Officer is to further table a report on the state of the Municipality's budget for a particular month, and cumulatively for the financial year to date at the next portfolio meeting subsequent to the end of that particular month.

15.2.2 This report must reflect the following:

- i) actual revenues per source, compared with budgeted revenues;
- ii) actual expenses per vote, compared with budgeted expenses;
- iii) actual capital expenditure per vote, compared with budgeted expenses;
- iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- v) the amount of allocations received, compared with the budgeted amount;
- vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
- vii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the Approved or Revised Budget; and
- viii) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- x) The report to the National Treasury must be both in electronic format and in a signed written document.

15.2.3 Quarterly Reports

- a) The Mayor must submit to COUNCIL within thirty days of the end of each quarter a report on the implementation of the Budget and the financial state of affairs of the Municipality.

15.2.4 Mid-year budget and performance assessment

- a) The Accounting Officer must assess the budgetary performance of the Municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the Municipality as against the service delivery targets and performance indicators which were set in the Service Delivery and Budget Implementation Plan.
- b) The Accounting Officer must then submit a report on such assessment to the Mayor by 25 January each year and to COUNCIL, Provincial Treasury and National Treasury by 31 January each year.
- c) The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the Annual Budget and for revising the projections of revenues and expenses set out in the Service Delivery and Budget Implementation Plan.

16. CONCLUSION

The Executive Manager : Corporate Services must place on the Municipality's official website the following:

- a) the Annual and Adjustment Budgets and all budget-related documents;
- b) all budget-related policies;
- c) the Integrated Development Plan;
- d) the Annual Report;
- e) all Performance Agreements;
- f) all Service Delivery Agreements;
- g) all long-term borrowing contracts;
- h) all quarterly and mid-year reports submitted to the COUNCIL on the implementation of the budget and the financial state of affairs of the Municipality.

17. COMPLIANCE AND ENFORCEMENT

- a) Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.
- b) It will be the responsibility of Accounting Officer to enforce compliance with this Policy.

18. EFFECTIVE DATE

The Policy shall come to effect upon approval by Council of KwaDukuza Municipality.

19. POLICY ADOPTION

This Policy has been considered and approved by **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Resolution No:.....

Approval Date:.....

20. ANNEXURE: LEGAL REQUIREMENTS

Municipal Finance Management Act

Section 15 Appropriation of funds for expenditure

Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each budget vote.

Section 16 Annual budgets

The Council of the Municipality must approve the annual budget before the start of the financial year to which it relates.

The Mayor must table the annual budget at least ninety days before the start of such financial year.

The capital budget may extend over three years, provided that it is separated into annual appropriations for that period.

Section 17 Contents of annual budgets and supporting documents

The budget must be in the prescribed format, and must be divided into a capital and an operating budget.

The budget must reflect the realistically expected revenues by major source for the budget year concerned.

The expenses reflected in the budget must be divided into votes.

The budget must also contain the foregoing information for the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the year before the current year, and the estimated revenues and expenses for the current year.

The budget must be accompanied by all the following documents:

- draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
- draft resolutions (where applicable) amending the IDP and the budget-related policies;
- measurable performance objectives for each budget vote, taking into account the municipality's IDP;

- the projected cash flows for the financial year by revenue sources and expenditure votes;
- any proposed amendments to the IDP;
- any proposed amendments to the budget-related policies;
- the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other Councillors, the Municipal Manager, the Chief Financial Officer, and other senior managers;
- particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the Municipality in service delivery, other organs of state, and organisations such as NGOs, welfare institutions and so on;
- particulars of the Municipality's investments; and
- various information in regard to municipal entities under the shared or sole control of the Municipality.

Section 18 Funding of expenditures

The budget may be financed only from:

- realistically expected revenues, based on current and previous collection levels;
- cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
- borrowed funds in respect of the capital budget only.

Section 19 Capital projects

The municipality may spend money on a capital project only if the money for the project (including the cost of any required feasibility studies) has been appropriated in the capital budget.

The total cost of the project must also be approved by the Council.

The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

Before approving a capital project, the Council must consider the projected cost of the project over all the ensuing financial years until the project becomes operational, as well as the future operational costs and any revenues which may arise in respect of such project, including the likely future impact on property rates and service tariffs.

Section 20 Matters to be prescribed

The minister of finance must prescribe the form of the annual budget, and may further prescribe a variety of other matters, including the inflation projections which the municipality must use in compiling its budget.

The minister may also prescribe uniform norms and standards in regard to the setting of tariffs where a municipality entity or other external mechanisms is used to perform a municipal service; and may also take appropriate steps to ensure that a municipality does not, in exceeding its fiscal powers, materially and unreasonably prejudice national economic policies (particularly on inflation, administered pricing and equity), economic activities across municipal boundaries, and the national mobility of goods, services, capital or labour.

Section 21 Budget preparation process

The mayor of the municipality must:

- Co-ordinate the processes for preparing the annual budget, and for reviewing the municipality's IDP and budget-related policies to ensure that the budget, the IDP, and the policies are mutually consistent and credible.
- At least ten months before the start of the ensuing financial year, table in the Council the time schedule with key deadlines for the preparation, tabling and approval of the following year's annual budget, the review of the IDP and budget-related policies, and the consultative processes required in the approval of the budget.
- When preparing the annual budget, take into account the municipality's IDP, the national budget, provincial budget, the national government's fiscal and macro-economic policies, and the annual Division of Revenue Act.
- Take all reasonable steps to ensure that the municipality revises its IDP in line with realistic revenue and expenditure projections for future years
- Consult the district municipality (if it is a local municipality) and all other local municipalities in the district, and all other local municipalities in the district if it is a district municipality.
- Consult the national treasury when requested, the provincial treasury, and such other provincial and national organs of state as may be prescribed.
- Provide, on request, any budget-related information to the national treasury, other national and provincial organs of state, and any other municipality affected by the budget.

Section 22 Publication of annual budgets

Immediately after the annual budget has been tabled, the Municipal manager must make this budget and other budget-related documentation public, and must invite the local community to submit representations in regard to such budget.

The Municipal manager must also immediately submit the tabled budget in both printed and electronic formats to the national treasury, the provincial treasury, and in either format to prescribed national and provincial organs of state and other Municipalities affected by the budget.

Section 23 Consultations on tabled budgets

After the budget has been tabled, the Council of the Municipality must consider the views of the local community, the national treasury, the provincial treasury, and any provincial or national organs of state or Municipalities which have made submissions on the budget.

After considering these views, the Council must give the mayor the opportunity to respond to the submissions received, and – if necessary – revise the budget and table the relevant amendments for consideration by the Council.

The national treasury may issue guidelines on the manner in which the Council must process the annual budget, including guidelines on the formation of a committee of the Council to consider the budget and hold public hearings. Such guidelines shall be binding only if they are adopted by the Council.

Section 24 Approval of annual budgets

The Council must consider approval of the budget at least thirty days before the start of the financial year to which such budget relates.

The budget must be approved before the start of such financial year, and the resolutions and performance objectives referred to in Section 17 must simultaneously be adopted.

Section 25 Failure to approve budget before start of budget year

This section sets out the process which must be followed if the budget is not approved in the normal course of events. Briefly the Council must reconsider and vote on the budget, or an amended version of the budget, every seven days until a budget is approved. The mayor must immediately inform the MEC for Local Government if the budget is not adopted by the start of the budget year, and may request a provincial intervention.

Section 26 Consequences of failure to approve budget before start of budget year

The provincial executive must intervene in any municipality which has not approved its annual budget by the start of the relevant financial year. Such intervention must entail the taking of any appropriate steps to ensure a budget is approved, including dissolving the Council and appointing an administrator until a new Council can be elected, and approving a temporary budget until such new Council can adopt a permanent budget for the municipality. The section also imposes restrictions on what may be spent in terms of such temporary budget.

Section 27 Non-compliance with provisions of this chapter

This section sets out the duties of the mayor to report any impending non-compliance and the general consequences of non-compliance with the requirements of the various foregoing prescriptions.

Section 28 Municipal adjustments budgets

The municipality may revise its annual budget by means of an adjustments budget.

However, the municipality must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

The municipality may appropriate additional revenues which have become available but only to revise or accelerate spending programmes already budgeted for.

The municipality may in such adjustments budget, and within the prescribed framework, authorise unforeseen and unavoidable expenses on the recommendation of the mayor.

The municipality may authorise the utilisation of projected savings on any vote towards spending under another vote.

Municipalities may also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.

Only the mayor of the municipality may table an adjustments budget. Such budget may be tabled whenever necessary, but limitations on the timing and frequency of such tabling may be prescribed.

An adjustments budget must contain all of the following:

- an explanation of how the adjustments affect the approved annual budget;
- appropriate motivations for material adjustments; and
- an explanation of the impact of any increased spending on the current and future annual budgets.

Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.

Section 29 Unforeseen and unavoidable expenditure

In regard to unforeseen and unavoidable expenses, the following apply:

- the mayor may authorise such expenses in an emergency or other exceptional circumstances;
- the municipality may not exceed a prescribed percentage of the approved annual budget in respect of such unforeseen and unavoidable expenses;
- these expenses must be reported by the Mayor to the next Council meeting;
- the expenses must be appropriated in an adjustments budget; and
the adjustments budget must be passed within sixty days after the expenses were incurred.

Section 30 Unspent funds

The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for the expenses referred to above in Section 16.

Section 31 Shifting of funds between multi-year appropriations

If the funds for a capital project have been appropriated for more than one financial year (see Section 16) these expenses may exceed the appropriation for any one financial year, provided:

- the increase is not more than 20% of that financial year's allocation;
- the increase is funded in the next financial year's appropriations;
- the Municipal Manager certifies that actual revenues are expected to exceed budgeted revenues, and that enough funds will be available to finance such increased appropriation without incurring further borrowing beyond the annual budget limit;
- the Mayor gives prior written approval for such increased appropriation; and
- all the above documentation is provided to the Auditor-General.

Section 32 Unauthorised, irregular or fruitless and wasteful expenditure

Unauthorised expenses may be authorised in an adjustments budget.

Section 33 Contracts having future budgetary implications

Contracts extending beyond one financial year may be entered into by a municipality, but if such contract extends beyond the three years covered in the annual budget, the Municipality may enter into such contract only if:

- The municipal manager, at least sixty days before the Council meeting at which the contract is to be approved, has made the contract public, with an information statement summarising the municipality's obligations, and inviting the local community and other interested parties to submit comments or make representations.
- The municipal manager solicits the views and recommendations of the national treasury and provincial treasury in respect to such contract, as well as those of the national department of provincial and local government, and any national department concerned with water, sanitation or electricity, if the contract relates to any of these services.
- The Council has taken into account the projected financial obligations in regard to such contract, the impact on tariffs, and the views and comments received from all the foregoing parties.
- The Council adopts a resolution determining that the municipality will secure a significant capital investment or derive a significant financial or economic benefit from the contract, and approves the entire contract exactly as it is to be executed.

A contract for purposes of this section shall exclude any contract relating to the incurring of long-term debt by the municipality, employment contracts, contracts for categories of goods as may be prescribed, or contracts where the value of the contract is less than a prescribed value or a prescribed percentage of the annual budget.

Section 42 Price increases of bulk resources for provision of municipal services

National and provincial organs of state which supply water, electricity or any other bulk resources to municipalities or municipal entities for the provision of municipal services may increase the price of such resources only after doing all the following:

- The proposed increase must be submitted to the organ's executive authority and (where legislation so requires) to any regulatory agency for approval.
- At least forty days prior to the above submission the National Treasury and organised local government must be invited to submit written comments on the proposed increase.

- The executive authority, after taking into account the comments received, must table the price increase in Parliament or the provincial legislature, as the case may be, with a full motivation and certain other prescribed explanatory documentation.

Unless the Minister of Finance otherwise directs, a price increase must be tabled on or before 15 March to take effect from 1 July of the same year. If it is tabled after 15 March it may only take effect from 1 July of the following year.

Section 43 Applicability of tax and tariff capping on municipalities

If a national or provincial organ of state is legislatively empowered to determine the upper limits of any municipal tax or tariff, such determination takes effect on the date specified in the determination, but provided that, unless the Minister of Finance otherwise directs:

- A determination promulgated on or before 15 March shall not take effect before 1 July of the same year.
- A determination promulgated after 15 March shall not take effect before 1 July of the following year.
- A determination shall not be allowed to impair a municipality's ability to meet any annual or periodic escalations in the payments it must make in respect of any contract legally entered into by a municipality.

Section 53 Budget processes and related matters

The mayor of the municipality must:

- Provide general political guidance over the annual budget process and the priorities that guide the preparation of each budget.
- Co-ordinate the annual revision of the IDP, as well as the preparation of the annual budget, and determine how the IDP is to be taken into account or is to be revised for purposes of such budget.
- Take all reasonable steps to ensure that the Council approves the annual budget before the start of the financial year to which it relates, and that the municipality's service delivery and budget implementation plan is approved within twenty-eight days after the approval of the budget.

- Ensure that the annual performance agreements for the municipal manager and the senior managers of the municipality are linked to measurable performance objectives which are approved with the budget and the service delivery and budget implementation plan.

The mayor must promptly report to the Council and the MEC for Local Government any delay in tabling the annual budget, approving the service delivery and budget implementation plan or signing the annual performance agreements.

The mayor must further ensure that the service delivery targets and quarterly performance indicators, and the monthly projections of revenues and expenses in the service delivery and budget implementation plan, are made public not later than fourteen days after these matters have been approved; and that the performance agreements of the municipal manager and other senior officials are similarly made public not later than fourteen days after their approval.

Section 68 Budget preparation

The municipal manager must assist the mayor in performing the assigned budgetary functions and must provide the mayor with administrative support, operational resources and the information necessary to perform these functions.

Section 69 Budget implementation

The municipal manager is responsible for implementing the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

The municipal manager must prepare any adjustments budget when such budget is necessary and submit it to the mayor for consideration and tabling in Council.

The municipal manager must submit a draft service delivery and budget implementation plan to the mayor fourteen days after the annual budget has been approved, and must also within the same period submit drafts of the annual performance agreements to the Mayor.

Section 70 Impending shortfalls, overspending and overdrafts

The municipal manager must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

Section 71 Monthly budget statements

The municipal manager must, not later than ten working days after the end of each calendar month, submit to the mayor and provincial treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- actual revenues per source, compared with budgeted revenues;
- actual expenses per vote, compared with budgeted expenses;
- actual capital expenditure per vote, compared with budgeted expenses;
- actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- the amount of allocations received, compared with the budgeted amount;
- actual expenses against allocations, but excluding expenses in respect of the equitable share;
- explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

The report to the national treasury must be both in electronic format and in a signed written document.

Section 54 Budgetary control and early identification of financial problems

On receipt of the report from the municipal manager, the mayor must:

- consider the report;
- check whether the budget has been implemented in accordance with the service delivery and budget implementation plan;
- issue appropriate instructions to the municipal manager to ensure that the budget is implemented in accordance with this plan, and that the spending of funds and the collection of revenues proceed in accordance with the approved budget;
- identify any financial problems facing the Municipality, as well as any emerging or impending financial problems; and

- submit to the Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

If the Municipality faces any serious financial problems, the Mayor must:

- promptly respond to and initiate the remedial or corrective steps proposed by the Municipal Manager, and
- alert the MEC for Local Government and the Council of the municipality to the problems concerned.

The mayor may revise the details of the service delivery and budget implementation plan, but any revisions to the service delivery targets and quarterly performance indicators must be approved by the Council, and be supported by an adjustments budget. Any changes made to the projections of revenues and expenses as set out in the plan must promptly be made public.

Section 55 Report to provincial executive if conditions for provincial intervention exist

If the Council has not approved its annual budget by the first day of the financial year to which it relates, or if the municipality encounters serious financial problems, the mayor must immediately report this matter to the MEC for Local Government and may recommend a provincial intervention.

Section 72 Mid-year budget and performance assessment

The municipal manager must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan, and the past financial year's annual report and the progress made in resolving problems identified in such report.

The municipal manager must then submit a report on such assessment to the mayor, the national treasury and the provincial treasury.

The municipal manager may in such report make recommendations for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

In terms of Section 54(1)(f) the mayor must promptly submit this assessment report to the Council of the municipality.

Section 73 Reports on failure to adopt or implement budget-related and other policies

The municipal manager must inform the provincial treasury, in writing, of any failure by the Council to adopt or implement any budget-related policy or a supply chain management policy, and of any non-compliance by an office bearer or political structure with such policy.

Section 75 Information to be placed on websites of municipalities

The municipal manager must place on the municipality's official website (inter alia) the following:

- the annual and adjustments budgets and all budget-related documents;
- all budget-related policies;
- the annual report;
- all performance agreements;
- all service delivery agreements;
- all long-term borrowing contracts;
- all quarterly reports submitted to the Council on the implementation of the budget and the financial state of affairs of the municipality.

Section 80 Establishment (of municipal budget and treasury office)

Every municipality must have a budget and treasury office comprising a chief financial officer supported by appointed officials and contracted staff.

Section 81 role of chief financial officer

The chief financial officer is administratively in charge of the budget and treasury office and must, inter alia,

- assist the municipal manager in preparing and implementing the budget;
- perform such budgeting, financial reporting and financial management and review duties as are delegated by the municipal manager;
- account to the municipal manager for the performance of all the foregoing responsibilities.

Section 83 Competency levels of professional financial officials

The municipal manager, senior managers, the chief financial officer and the other financial officials in a municipality must all meet prescribed financial, management competency levels.

SUMMARISED TIMETABLE

NOTE: DATES IN BRACKETS ARE INDICATIVE.

FINAL DATE	ACTION BY MUNICIPALITY	ACTION BY MUNICIPAL ENTITY
31 August	Table in Council timetable for preparation of coming year's annual budget	-
25 January	Assess current year's budget performance	-
31 January	Table assessment report in Council	-
31 January or earlier	-	Submit proposed budget for coming year to municipality
(31 January or earlier)	Table municipal entity's adjustments budget for coming year	Submit adjustments budget for current year to municipality and make budget public
(Between 31 January and 31 March)	Table municipality's adjustments budget for current year and changes to service delivery targets and KPIs	-
(Between 31 January and 31 March)	Make public (adjustments budget and) revisions to service delivery and budget implementation plan for current year	-
Mid-March	-	Submit revised budget for coming year to municipality
31 March	Table municipality's draft budget for coming year	-
31 March	Table municipal entity's revised budget for coming year	-
Immediately after 31 March	Make public draft budget for coming year and invite submissions from community, provincial treasury and others	-
FINAL DATE	ACTION BY MUNICIPALITY	ACTION BY MUNICIPAL ENTITY
Before 31 May	Respond to submissions and revise draft budget for coming year	-
31 May	Consider approval of budget for coming year and attendant resolutions	Approve revised budget for coming year and make budget public
30 June	Budget for coming year and attendant resolutions must be approved by 30 June. Approved budget of entity must be tabled.	-
Early June to early July: immediately after budget approved	Submit budget to National Treasury and Provincial Treasury	-

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Early June to early July: immediately after approval dates	Place on website annual budgets and all budget-related documents	-	
Mid June to mid July: 14 days after budget approved	Finalise draft service delivery and budget implementation plan and draft performance agreements	-	
Late June to late July: 28 days after budget approved	Approve service delivery and budget implementation plan	-	
Late June to late July: 28 days after budget approved	Conclude performance agreements	-	
Mid July to mid August: 14 days after service delivery and budget implementation plan approved	Make public projections of revenues and expenses for each month of coming year, service delivery targets for each quarter, and performance agreements	-	

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DETAILED BUDGET TIMETABLE

Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
21(1)(b)	31 August	<p>Mayor must at least 10 months before start of budget year table in Council time schedule outlining key deadlines for</p> <ul style="list-style-type: none"> - preparation, tabling and approval of annual budget - annual review of IDP - annual review of budget-related policies - tabling and adoption of any amendments to IDP and budget-related policies - any consultative processes forming part of foregoing 	Mayor	Time schedule must either fit in with already scheduled Council meetings or must indicate when special Council meetings must be scheduled.
Section 88	20 January	Accounting officer of municipal entity must assess entity's budgetary and financial performance for first six months of financial year, and submit assessment report to board of directors and parent municipality.		
72(1), (2) and (3)	25 January	Accounting officer of municipality must assess budgetary and financial performance of municipality for first six months of financial year, make recommendations on whether adjustments budget necessary, and recommend revised projections for revenues and expenses. This assessment must be submitted to the Mayor, national treasury and the provincial treasury (presumably immediately).	Accounting officer	

54(1)(f)	31 January	Mayor must submit accounting officer's report to Council.	Mayor	Special Council meeting may have to be scheduled.
87	31 January or earlier if requested by parent municipality	Board of directors of municipal entity must submit to parent municipality proposed budget for entity for ensuing financial year.	Board of directors of entity	It is not clear to what person or structure in the parent municipality this budget must be submitted. However, it makes good sense for the Council of the Municipality to consider this budget at the same meeting that it considers the municipality's own proposed adjustments budget.
87	(31 January to mid-March)	Parent municipality must consider proposed budget, and make any necessary recommendations.		It is not clear what person or structure in the parent municipality must perform this action, but the Council seems the logical party. It would also make sense for the Council to consider this budget by 31 January.
87	(Tabled in Council by 31 January)	Board of directors of entity may, with approval of Mayor of parent municipality, revise budget of entity for certain prescribed reasons. Adjustments budget once approved by board of directors of entity must be tabled by Mayor at next meeting of Council of parent municipality. Adjustments budget must be made public.	Board of directors and Mayor of parent municipality	Evidently such an adjustments budget may be prepared at any stage. It would make good sense, however, for the parent municipality to insist that the entity's revised budget be prepared and submitted to the Mayor at the same time that or before the entity's proposed budget for the new financial year is considered.

54(1) and (2)	(Between 31 January and 31 March)	If municipality faces "serious financial problems" Mayor must "promptly" respond to and initiate remedial steps proposed by accounting officer, including steps to reduce expenses and tabling of adjustments budget. Mayor must also consider revisions to service delivery and budget implementation plan. (Note that only Council may approve changes to service delivery targets and KPIs – these changes must therefore be tabled with the adjustments budget).	Mayor	<p>Again the potential problem of different parent municipalities having different views will have to be resolved by (presumably) the Mayors considered.</p> <p>Adjustments budgets may be prepared by the accounting officer, and tabled in Council by the Mayor "when necessary". They must be so prepared and tabled (within prescribed limits as to timing and frequency) whenever material adjustments to expenses or revenues are required, and not only when "serious financial problems" are looming. In general, adjustments budgets should preferably be tabled by or as soon as possible after 31 January, and certainly not later than 31 March when the draft annual budget for the next year is first tabled.</p>
54(3)	(Between 31 January and 31 March)	Mayor must ensure that revisions to service delivery and budget implementation plan are "promptly" made public. (Note that no concomitant revision of performance agreements is evidently envisaged).	Mayor	Presumably the accounting officer must make these revisions for the Mayor's approval as part of the process of adjusting the annual budget. The deadline for these revisions must be by or as soon as possible after 31 January, but certainly not later than 31 March. See also 54(1) and (2).
87	100 days before start of financial year (approximately)	Board of directors of entity must consider recommendations, and if necessary submit revised budget to parent municipality.	Board of directors of entity	

	mid March)				
16(2)	31 March	Mayor must table (draft) annual budget of municipality at Council meeting at least 90 days before start of budget year.	Mayor	Council meeting must be scheduled appropriately.	
87	31 March	Mayor of parent municipality must table originally proposed or proposed revised budget (as case may be) of entity when (draft) annual budget of municipality first tabled.	Mayor	-	
22(a) and 22(b)	Immediately after 31 March or earlier date if annual budget tabled before 31 March	Immediately after (draft) annual budget tabled in Council, accounting officer must (1) make public budget and documents referred to in Section 17(3), and invite local community to submit representations in connexion with budget, and (2) submit annual budget in both printed and electronic formats to provincial treasury, and in either format to prescribed national and provincial organs of state and to other municipalities affected by the budget.	Accounting officer		
23(2)	Before 31 May	Council must give Mayor opportunity (1) to respond to submissions received on (draft) annual budget and attendant documentation and (2) to revise budget, if necessary, and table amendments for consideration by Council.	Mayor and Council	-	
24(1) and (2)	31 May	Council must consider approval of annual budget, together with resolutions imposing rates and levies, setting tariffs, approving measurable performance objectives for revenue from each source and for each vote, approving any changes to IDP, and approving any	Council	Although Council has until 30 June to approve budget, best practice will be to approve budget not later than 31 May.	

		changes to budget-related policies.			
87(4)	31 May	Board of directors of municipal entity must approve budget for coming year, having taken into account recommendations of Council of parent municipality, and must make budget public.	Board of directors of municipal entity		
24(3)	(Immediate after approval date)	Accounting officer must submit approved annual budget to national treasury and provincial treasury.	Accounting officer		No time limit is specified for this action, and neither is the format in which the budget is to be submitted specified. Common sense dictates that the submission should be at least in electronic format and that it should be made as soon as possible after the approval date.
25(1) and (2)	Within 7 days of date of Council meeting which failed to approve annual budget	If Council fails to approve annual budget at meeting scheduled in terms of Section 24, must reconsider budget within 7 days of date of such meeting. If necessary, process must be repeated until budget approved by 30 June.	Council		As province will intervene if budget not approved by 30 June, Mayor, Councillors and accounting officer must co-operate to ensure obstacles to approval timeously removed.
69(3)(a) and (b)	14 days after approval of annual budget (mid June to mid July)	Accounting officer must submit to Mayor draft service delivery and budget implementation plan, and drafts of annual performance agreements for Municipal Manager and all senior managers.	Accounting officer		
53(1)(c)(ii)	Within 28 days after date annual budget approved (late June to late July)	Service delivery and budget implementation plan must be approved by Mayor, including projections of revenues and expenses for each month, and service delivery targets and performance indicators for each quarter. (Note that though the Mayor approves these	Mayor		

	July)	targets and KPIs, only the Council may change them and then only following the approval of an adjustments budget. See Section 54(1)(c)).			
53(1)(c)(iii)(aa) & (bb)	Within 28 days after date annual budget approved (late June to late July)	Mayor must take all reasonable steps to ensure that annual performance agreements for Municipal Managers and all senior managers are linked to measurable performance objectives approved with the budget and to the service delivery and budget implementation plan, and are concluded in accordance with Section 57(2) of the Municipal Systems Act.	Mayor	No date is specified for the completion of this requirement, but the logical inference is that the date should not be much later than the date on which the service delivery and budget implementation plan must be approved. See Section 53(3)(b).	
16(1)	30 June	Annual budget must be approved by Council	Council	-	
53(3)(a) and (b)	14 days after approval of service delivery and budget implementation plan (mid July to mid August, depending on date plan approved)	Projections of revenues and expenses for each month and service delivery targets for each quarter (as set out in approved service delivery and budget implementation plan), and performance agreements of Municipal Manager and senior manager must be made public, and copies of performance agreements must be submitted to Council and MEC for local government.	Mayor	Although this is not specified as a requirement, logic dictates that copies of the service delivery and budget implementation plan should also be submitted to Council and the MEC.	652

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KWADUKUZA MUNICIPALITY

DEPT: CORPORATE GOVERNANCE

REF: REVIEWED IDP FOR 2016/2017 FINANCIAL YEAR

C 700

COUNCIL: 26/05/2016

SUBJECT: REVIEWED IDP FOR 2016/2017 FINANCIAL YEAR

PURPOSE: DELIBERATION AND APPROVAL OF THE FINAL IDP BY COUNCIL

BACKGROUND

An IDP is one of the key tools for Local Government to achieve its developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner. The municipality has a responsibility to ensure that alignment between the District Municipality and Sector Departments takes place.

KwaDukuza Municipality adopted its draft document for 2016/2017 financial year on the 31st March 2016 as required by Chapter 5 of the Municipal Systems Act of 2000. The municipality then conducted the clustered IDP, PMS, Budget and SDF Road shows together with iLembe District Municipality which commenced on the 08th of April 2016 and concluded on the 16th of May 2015 wherein the draft IDP, budget and the Spatial Development Framework were presented to further obtain inputs from various stakeholders and communities.

The IDP Forum was also used as platform for alignment of the IDP to government priority policies and programmes. It was also submitted to Province for pre-assessment and on the 16 April 2016 and has been amended taking Cogta and IDP/ Budget and SDF road shows' comments into consideration. The document (Reviewed IDP 2016/2017) is structured according to Cogta's IDP Framework guidelines. Therefore this report is for deliberation and recommendation to Council for approval.

With regards to Spatial Development Framework review process, Spluma requires that the SDF be advertised for a period of 60 days and the process is still in progress.

LEGAL REQUIREMENTS

- Municipal Systems Act No 32 of 2000
- Municipal Finance Management Act 56 of 2003
- Municipal Structures Act 117 of 1998
- Municipal Planning and Performance Management Regulations 2001

FINANCIAL IMPLICATIONS

None.

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RECOMMENDATIONS

- That Council notes report.
 - That Council notes that the IDP for 2016/2017 financial year will be submitted to Cogta, together with other sector plans of the municipality namely:
 1. Disaster Risk Management Sector Plan,
 2. KDM Low Emission Development Strategic Framework and Action Plan
 3. Green Building Guidelines
 4. Biodiversity Open Space Management Plan (Bos Map)
 5. Climate Change Response Strategy (CCRS)
 6. Draft Spatial Development Framework

 - That Council adopts KwaDukuza Municipality's reviewed IDP for 2016/2017 financial year.
-

Author: L.P. Radebe

Approved: M. Manzini

Executive Director: Corporate Governance


Municipal Manager

N. Mdakane

Date: 2016.05.20

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INTEGRATED DEVELOPMENT PLAN 2016/2017

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ABBREVIATIONS

AOC	-	Aircraft Operating Company
BEE	-	Black Economic Empowerment
CBD	-	Central Business District
CSC	-	Community Service Centre
DBSA	-	Development Bank of South Africa
DFP	-	Development Framework Plan
DLTG	-	Department of Local Government and Traditional Affairs
DM	-	District Municipality
DOE	-	Department of Education
DOH	-	Department of Housing
DOT	-	Department of Transport
ED	-	Executive Director
EIA	-	Environmental Impact Assessment
EMP	-	Environmental Management Procedure
EPWP	-	Extended Public Works Programme
EXCO	-	Executive Committee
GE	-	Gender Equity
GGP	-	Gross Geographical Product
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HCT	-	HIV/AIDS counselling and Testing
IDP	-	Integrated Development Plan
ISRD	-	Integrated Sustainable Rural Development Programme
ISRDS	-	Integrated Sustainable Rural Development Strategy
KDM	-	KwaDukuza Municipality
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LM	-	Local Municipality
LRAD	-	Land Redistribution for Agriculture Development
LUMF	-	Land Use Management Framework
LUMS	-	Land Use Management System

MEC	-	Member of the Executive Council (Local Government and Traditional Affairs)
MFMA	-	Municipal Finance Management Act No. 56 of 2003
MIG	-	Municipal Infrastructure Grant
MPS	-	Multi-Purpose Service Centre
MTC	-	Medium-Term Capital Framework
MTCT	-	Mother-To-Child HIV Transmission
NHBRC	-	National Home Builders Registration Council
NSDP	-	National Spatial Development Perspective
PGDS	-	Provincial Growth and Development Strategy
PIMS	-	Planning, Implementation and Management System
PMS	-	Performance Management System
PTO	-	Permission to Occupy
PDA	-	Planning and Development Act 06 of 2008
PMTCT	-	Prevention from Mother to Child
RDP	-	Reconstruction and Development Programme
RIDS	-	Regional Industrial Development Strategy
RRTF	-	Rural Road Transport Forum
RSC	-	Regional Service Centre
SADC	-	South Africa Development Community
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TA	-	Tribal Authority
TLC	-	Transitional Local Council
VTC	-	Voluntary Testing and Counselling
WSDP	-	Water services Development Plan



FOREWORD BY HIS WORSHIP THE MAYOR

His Worship the Mayor,

Councillor Ricardo Mthembu

The last few years have been challenging for our country and our municipality. Notwithstanding our challenges, we have come through with some successes and short-comings. Our biggest concern last year was service delivery protests and the loss of electricity income through infrastructure problems and theft. Service delivery protests have increased in numbers because of a combination of factors, including housing backlog. We find pleasure in being accorded the award of the ward for being the most effective municipality in terms of Public Participation. An achievement of such great stature by the South African Local Government Association bears testimony to our commitments and unwavering dedication to our work. Blythedale Beach received the international Blue Flag status which means that it is in full compliance with the standards of Wildlife and Environmental Society of South Africa, it has excelled in areas of safety, amenities, cleanliness and environmental standards. Despite our winnings, difficult days still do remain as the task to fulfil Vision 2030 weighs on shoulders but, our firm timeliness have been guiding us over the years and we are indeed making progress.

We have also focused on planning as critical element in developing our infrastructure. We want to build better products, deliver better services, so that our customers realise value for money. The delivery of infrastructure is something that we handle with great care because infrastructure development adds the necessary impetus in the transformation of the local economic space. Progress on one of our biggest capital projects, road P445 is romping away with speed following our decision to maintain a 24 hours construction schedule to get the job done. This project is to unlock more investment and tourism opportunities along the coastal areas once completed; we don't want any more delays.

We are building an enduring partnership with Standard Bank. In 2007, the Bank stepped in with the low cost housing project that was well supported by Council. Joining Standard Bank in their bid to create a decent future for present generation bears testimony to our shared commitments in bringing dignity and economic prosperity. We have signed a memorandum of understanding with Ithala bank which formalises our good working relationship. The Integrated Development Plan spells out our responsibilities. While unemployment, poverty and inequality remain our key challenges, we have been clear in our approach to align the IDP priorities with the National Development Plan, ahead of 2030, where we will see our vision of becoming a vibrant city being fulfilled.

Not far from being certain about the possibility of fulfilling Vision 2030, we remain confident and wish to express that we are moving forward with pace in building our city. As part of our key service areas, the delivery of adequate basic services is our focus, going forward. We are turning the corner in terms of getting the basics right. Accordingly so, the Back to Basics programme for change that is being rolled out at all levels of government will see the speedy delivery of basic services.

Operation Sukuma Sakhe through our local office will continue to play a critical role towards ensuring that access to health care services, food for the under-privileged, social services amongst other services are delivered. The Expanded Public Works Programme is resulting to positive spin-offs. We are indeed making progress in reducing the scourge of unemployment and poverty which continue to confront us all year round. We have had some irregular electricity black-outs which is a situation that we are dealing with in a very determined way. Various sub-stations are being built, some which have been completed; we are confident that with such developments, the year 2015 will mark the opening of a new chapter.

This financial year is going to be a year of action. I call on every employee of this municipality to put their shoulder to the wheel and deliver to our ratepayers to whom we have to account. We have to make sure our employees are ready for this task and our generally good relationship with unions means we can all bring to the table solutions instead of obstacles.

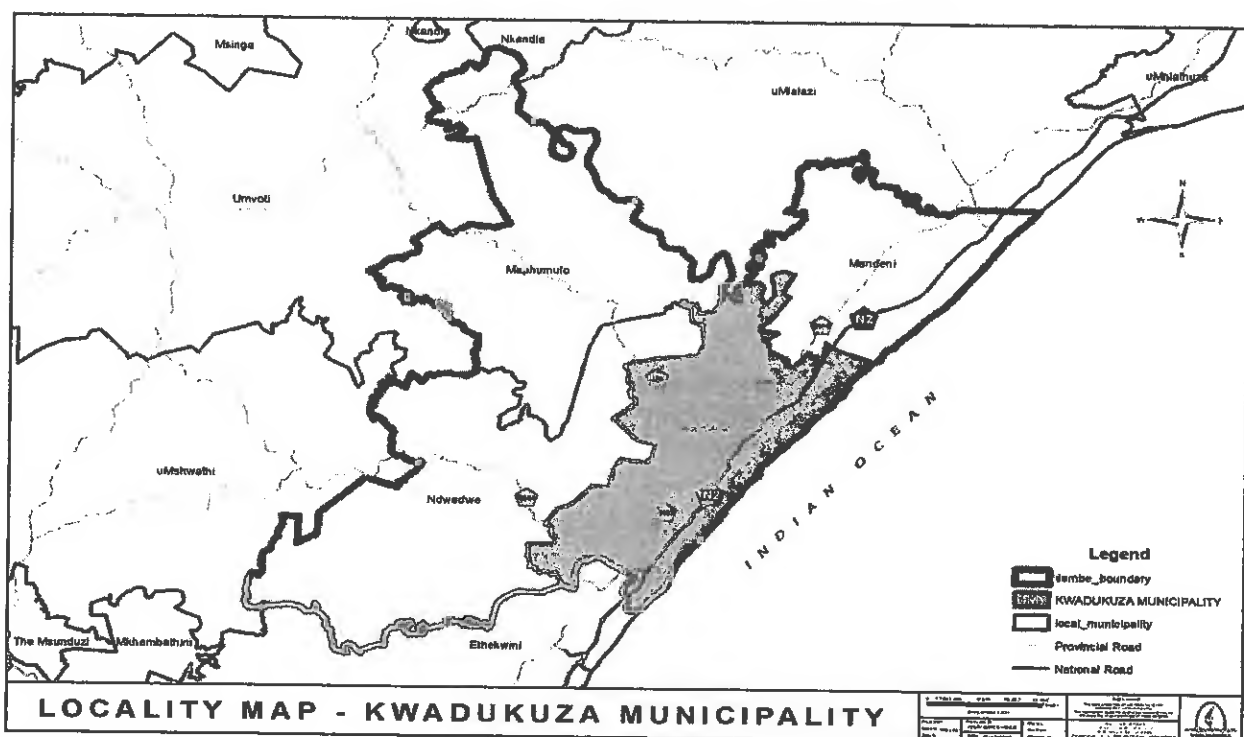
I want to wish every single person a successful and productive year.

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A.1. WHO ARE WE?

The KwaDukuza Municipality falls under the ILembe District Municipality jurisdiction and is approximately 633km² in extent between the Tongati and Tugela Rivers in Northern KwaZulu Natal. KwaDukuza Municipality comprises of 27 wards. After it has been newly demarcated, it will comprise of 29 wards. The two additional wards include wards 28 and 29. Ward 28 comprises Inglemere Estate, De Jagers Kraal, Colisheen, Manor Estate, Compensation, Hemsley and Umhlali areas. Ward 29 comprises of Dube Village, Shiela Area, Mbonambi Area and Ten Acres.

The area includes a 50km stretch of coastline incorporating a range of sensitive coastal environments, river mouths and lagoons as well as significant urban developments in the southern sections. The main economic nodes consist of KwaDukuza Town and the growing urban development around the Ballito area abutting onto eThekweni. The boundary extends from the Tugela River and the Mandeni Local Municipality in the north, through to the eThekweni Metropolitan Municipality and the Tongati River in the south, and from the Maphumulo Local Municipality and Ndwedwe Local Municipality boundaries in the west to the coastline in the east.



Map 1 – Locality Map

A.2. LOCATION

The municipality is strategically located between Africa's two largest harbours, the Durban Harbour and Richards Bay Harbour which have the best transport infrastructure. It has a potential to capitalize on targeted spill over from initiatives planned for eThekweni namely the Dube Trade Port, its pristine beaches and relatively un-spoilt natural environment. Beyond the areas of urban development the bulk of the KwaDukuza, particularly the relatively flat coastal strip, forms commercial farming hub and is mainly used for agricultural activities such as sugar cane farming.

The urbanized areas comprise of Stanger town, Shakaskraal, Blythedale and Ballito, with high levels of infrastructural development, service development, and social facilities to support the local population. Industrial development is concentrated in the KwaDukuza node including the Gledhow and Darnall Sugar Milling operations.

A.3. HOW WAS THIS PLAN DEVELOPED?

The following activities have been undertaken to review the 5 year Integrated Development Plan document for the 2016/2017 financial year:

On the 25 August 2015, KwaDukuza Municipal Council adopted an IDP, Budget and PMS Process Plan for 2016/2017 financial year. The process plan was informed by the District's framework plan which is meant to guide 2016-2017 iLembe District IDP Reviews' Processes in all the municipalities within the district. Following its adoption, it was submitted to Department of Co-operative Governance and Traditional Affairs and was afterwards advertised for public comments.

An IDP forum meeting was held on the 18th of August 2015, wherein various role players were engaged on KwaDukuza's process plan. On the 20 November 2015, Provincial COGTA organized an alignment meeting whereby sector departments engaged with all the municipalities within the District on planned programmes and projects underway for 2016/2017 financial year. There was also a session whereby management revised the Organizational Performance Management System of the municipality and alignment with strategic objectives of the municipality in the beginning of the year.

The draft budget process which took place in the month March 2016 whereby all departments drafted their individual budgets with the guidance of the Finance Department. The draft IDP and Budget will be submitted to Council for approval on the 30 March 2016.

Key issues that are addressed in the IDP Review Process for 2016/2017 financial year are as follows:

MEC comments received from the IDP assessment on IDP's for 2015/2016 financial year: the letter received by the municipality highlighted issues that were omitted under certain key performance areas, which have to be included during the review process. The main issues that were highlighted for this IDP review are:

3.1. Municipal Transformation and Institutional Development: provision of the latest status of the Employment Equity Plan. The municipality is to give an indication of how the Human Resource Strategy is being implemented as well as the development of the ICT governance framework and strategy to strengthen its controls.

3.2. Local Economic Development (LED): provision of the status of the LED strategy as well as it reviewing in the IDP. The Municipal Safety Plan has to be in place and must be aligned to SAPS programmes.

3.3. Basic Service Delivery and Infrastructure Investment: Information on water and sanitation should be updated and aligned to that of the District. The municipality needs to clarify the date of adoption of the Integrated Waste Management Plan.

3.4. Financial Viability and Financial Management: information that is provided lacks pertinent details around the revenue enhancement strategy and impact thereof, consumer debt by customer group, strategy to reduce consumer debt, level of grant dependency, plan to preserve the useful life of municipal infrastructure assets and level of repairs and maintenance. Details around contracted services and skills transfer.

3.5. Good governance and Public Participation: report on the status, functionality and membership of the Bid committees and the attachment of the report on AG Response Action Plan.

3.6. Cross Cutting Interventions: provision of an updated copy of the Spatial Development Framework (SDF), comprehensive Rural Development Programme and the New Growth Path are not applied within the SDF. Strategic mapping of critical biodiversity and conservation areas, high agricultural potential areas, disaster risk areas, current and future settlement and land reform areas in relation to existing and planned bulk infrastructure and services, also remain a challenge in the SDF.

A.4. DEVELOPMENT CHALLENGES

Considering the current economic changes, significant strides are continuously made to address the key development challenges in the municipality. There is however, some distance towards addressing the following challenges:

Infrastructure dilapidation

Dilapidation has become a critical social problem within the municipality which is as a result of a number of causes namely, poor maintenance and vandalism of infrastructure, limited funding to fast track reduction of backlogs etc. It is therefore critical that the municipality works towards ensuring life cycle management of infrastructure, thus ensuring value for money.

Safety and Security

The municipality is affected by various forms of crime ranging from rape, robbery, burglary and assault as well as access to certain crime scenes due to bad conditions of roads and lights. Therefore strategies aimed at stopping crime before it happens, are required. The response would require an integrated, multifaceted approach that includes all stakeholders in all areas of crime prevention.

Unemployment

High level of unemployment leads to an increased number of communities living in abject poverty. The municipality faces challenges with regard to marketable and skilled work force, thereby creating a gap in productivity which in turn has a negative impact on the economic growth path. A strategic approach by the municipality should be encouraged to ensure that more job opportunities are made available and economic development programmes are enhanced.

Public Transport Facilities

In some areas, taxi ranks are still operated informally on streets or from vacant off-street areas. Many of these facilities lack basic infrastructure such as toilets, shelters, paving or informal trading facilities.

Low levels of skills development and literacy

There is an urgent need to improve and transfer scarce skills to the communities of KwaDukuza. However the municipality has a responsibility to continuously facilitate the improvement of literacy levels of the communities to ensure an adequate skills base to foster enterprise growth and job creation. This will assist the communities to go into the market.

Lack of electricity supply

Slow upgrade of electricity supply does not meet the demand and development of both social and business operations. Illegal electricity connections and limited number of vending stations in existing residential areas leads to huge losses of financial revenue for the municipality.

A.5. MUNICIPAL VISION

VISION

"By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner".

MISSION

It is to achieve highest economic status through:

- Driving local economic development.
- Delivering a high standard of essential services
- Encourage public participation
- Overcoming debt and achieving cost recovery on services provided.



Core Values of KwaDukuza

- | | |
|---|---------------------------------------|
| • Ethical behavior | • Flexibility and cooperativeness |
| • Respect | • Compliance with all set regulations |
| • Honesty and Integrity | • Loyalty |
| • Accountability to each other and the public | • Unity |
| • Team work | • Efficiency |
| • Initiative and Innovation | • Professionalism |
| • Fiscal responsibility | • Cost effectiveness |
| • Excellent customer service | • Discipline |
| • Hard work and timeliness | • Diligence |
| • Care & protection of resources | • Openness and Transparency |
| | • Non discriminatory |



A6. KDM FIVE YEAR STRATEGIC PLAN ALIGNED TO NATIONAL KPAS AND KZN PROVINCIAL DEVELOPMENT AND GROWTH STRATEGY

6.1. NATIONAL OUTCOMES

The national outcomes reflect the desired development impacts that government seeks to achieve and are further aligned to KwaDukuza's Strategic Plan which in turn is Aligned to National KPAs, KZN Provincial Development Growth Strategy, iLembe District Development Growth Strategy and iLembe Strategic Objectives.

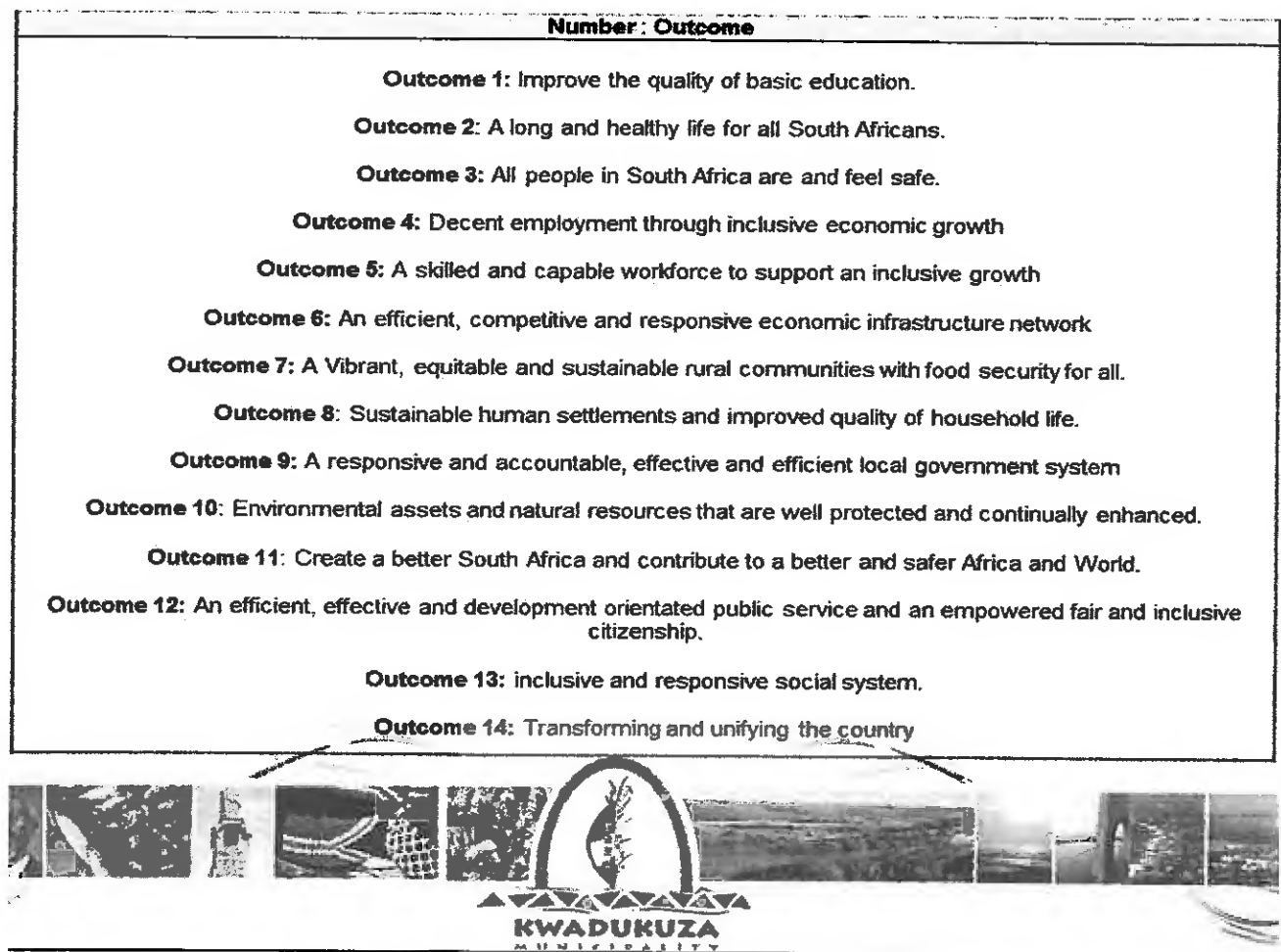


FIGURE 1- NATIONAL OUTCOMES

6.2. KWAZULU NATAL PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

KwaZulu Natal Provincial Growth and Development Strategy, as a strategic framework assists in achieving alignment and laying the basis for sustainable development, ensuring that plans are economically productive and efficient, meet social needs and address equity issues. Its key focus areas are:

- Spatial Equity
- Governance and policy
- Response to climate change
- Strategic infrastructure
- Human and community development
- Human resource development
- Job creation

6.3. KWADUKUZA' S STRATEGIC PLAN

In order to achieve our vision and to address the development challenges, there are a number of key strategic planning concepts which need to be taken into consideration. These will act as a point of leverage for creating a viable municipality and shown in the diagram below:

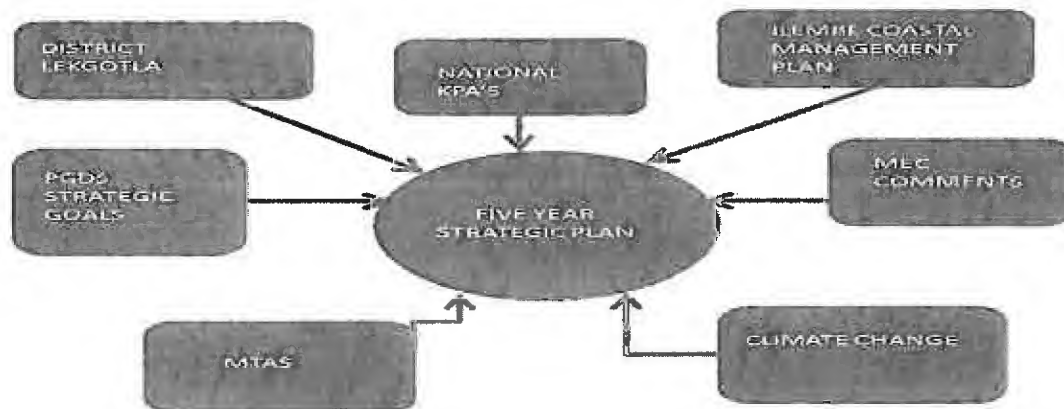


FIGURE 2- KDM STRATEGIC PLAN ALIGNED TO NATIONAL KPA & KZN PGDS

Below is the table showing KwaDukuza' s Strategic Plan Aligned to National KPAs, KZN Provincial Development Growth Strategy, KwaDukuza's Strategic Objectives as well as National Outcomes:

National Key Performance Areas	Provincial Development Growth Strategy	KDMs Development Objectives	Strategic Interventions	National Outcomes
Spatial and Environmental Management	Spatial Equity	<p>To provide strategic guidance for the future, physical/spatial development of KwaDukuza Municipal area.</p> <p>To contribute to a safe and secure environment.</p>	<p>Provide positive environment for Industrial Development.</p> <p>Renewal and Regeneration of KwaDukuza main town and Shakaskraal.</p> <p>Development of priority clusters: KwaDukuza node, Groutville, Woodmead/Shayamoya and Southern node/ Driefontein</p>	Outcome 4: Decent employment through inclusive economic growth
Good Governance and Democracy	Governance and policy	<p>To implement public participation programmes.</p> <p>To provide effective and efficient Internal Audit services for Council.</p> <p>To manage institutional risks.</p> <p>To promote inter-governmental relations.</p> <p>To promote intergovernmental relations.</p> <p>To contribute to a safe and secure environment</p>	<p>Provide effective and efficient corporate services to council and other directorates.</p> <p>Provide an effective and efficient ICT infrastructure.</p> <p>Improve and develop roads and storm & water infrastructure</p> <p>To maintain and upgrade the existing roads infrastructure in all areas.</p>	Outcome 9: A responsive and accountable, effective and efficient local government system
Financial Viability and Management	Governance and policy	<p>Integrated Development Planning.</p> <p>To enhance organisational development in line with community needs.</p> <p>To ensure that the revenue of the municipality is collected and accounted for</p>	<p>Co-ordination of Sector Departments programmes</p> <p>Co-ordination and development of sector plans</p> <p>Overall integrated development planning</p> <p>Ensuring financial sustainability</p> <p>Ensuring strict credit control</p>	Outcome 9: Accountable, effective and efficient local government system

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		<p>To improve expenditure on Capital budget.</p> <p>To improve expenditure on Capital budget.</p> <p>Logistics and Supply Chain Management.</p> <p>To ensure compliance with financial management and legislative requirements.</p> <p>To ensure compliance with financial management and legislative requirements.</p> <p>To ensure compliance with financial management and legislative requirements.</p>	Set of clean billing data	
Spatial and environmental Management	Response to climate change	Environmental and climate change	<p>Ensure adherence to the principles of National Environmental Management Act, (107 of 1998)</p> <p>Proper application of KwaDukuza environmental policy and strategic environmental assessment</p> <p>Coastal management act & coastal management plan</p>	<p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced.</p>
Infrastructure and Basic Service Delivery	Strategic infrastructure	<p>To facilitate provision of formal housing.</p> <p>To ensure that all citizens have an electricity service connection.</p> <p>To provide an acceptable level of lighting to all major roads, public open spaces and sports fields.</p> <p>To maintain and upgrade the existing road infrastructure.</p>	<p>Ensuring that all citizens have an electricity service connection</p> <p>To ensure equal access to service</p>	<p>Outcome 8: Sustainable human settlements and improved quality of household life.</p>

Social Economic Development and Planning	Human and community development	<p>To maintain and upgrade existing storm water infrastructure.</p> <p>To ensure that customers get good value for money.</p> <p>To contribute to a safe and secure environment.</p>	Provision of Municipal Service	Fire and emergency	Outcome 13: Inclusive and responsive social system.
				<p>Beach restoration projects and proper waste management plans</p> <p>Traffic management strategy and crime prevention plans</p> <p>Health and wellness programmes and intensification of KwaDukuza HIV and AIDS strategy</p>	Outcome 14: Transforming and unifying the country.
Institutional Development and	Human resource		Sport and Youth Development	<p>Promote youth, gender and disability advocacy and the advancement of women</p> <p>Development of projects and programmes geared towards assisting young people</p> <p>Youth, arts, and culture development initiatives</p> <p>Encouraging young and old KwaDukuza residents to meaningfully participate in sports activities</p>	
				To implement HR strategy.	

Transformation	development	<p>To develop and implement priority skills programme.</p> <p>To enhance institutional productivity through developing a renewed cadre of Local Public Service.</p> <p>To enhance organizational development in line with community needs.</p> <p>To stimulate economic growth.</p> <p>To ensure that the revenue of the municipality is collected and accounted for.</p>	<p>LED projects and programmes</p> <p>Roll out and intensify Agricultural Projects as well as support in communities</p> <p>Promotes and establish programmes for SMMEs and Entrepreneurial support</p> <p>Enhance the knowledge Economy</p> <p>Tourism and heritage development and community and knowledge centres.</p>	Outcome 13: Inclusive and responsive social system.
Social Economic Development and Planning	Job creation			

FIGURE 3- KDM 5 YEAR STRATEGIC OBJECTIVES ALIGNED TO THE NATIONAL OUTCOMES

A.7. HOW DO WE MEASURE OUR PERFORMANCE?

The municipality develops an Organizational Performance Systems (OPMS) framework and reviews performance policy procedure manual on an annual basis. It also develops and adopts a Service Delivery and Budget Implementation Plan (SDBIP) each financial year in line with legislative requirements. The SDBIP is an operational plan for the municipality, clearly outlining the key performance indicators (KPIs), objectives, timeframes, outputs, outcomes and strategies for all programmes and projects. The SDBIP is informed by the IDP and the budget.

KwaDukuza municipality utilizes the SDBIP as a benchmark to achieve the departmental objectives based on the departments' core functions and also a monitoring and evaluation tool. The municipality holds four (4) performance evaluation sessions to evaluate performance of the previous quarter and plans for the quarter ahead.

The SDBIP reports are tabled to the Executive Committee (EXCO) members as the oversight committee in order to check service delivery progress undertaken by various departments within the municipality. The Municipal Manager and all Heads of Departments attend the evaluation sessions. Each Head of Department presents his achievements for a particular quarter and also tables a plan for the next quarter. Should there be any variances the department then gives necessary and satisfactory explanations to the EXCO members and recommends corrective measures.

The key performance areas are aligned to the National Government's areas of performance and these are as follows:

- Municipal Transformation and Institutional Development
- Basic Service Delivery and Infrastructure Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Local Economic Development
- Spatial Planning and Environmental Management

A.8. SPATIAL DEVELOPMENT FRAMEWORK (SDF)

KwaDukuza incorporates an area of approximately 633km² between the Tongati and Tugela Rivers in Northern KwaZulu Natal. The area includes a 50km stretch of coastline incorporating a range of sensitive coastal environments, a great number of unique river mouths and lagoons, and significant urban developments in the southern sections.

It is the most urbanized local authority area of iLembe District, being astride the north south movement corridor between Durban and Richards Bay. Urbanization has occurred primarily along the R102 Provincial road 2 or P2, within the main town KwaDukuza growing up at its junction with the R 74 leading westwards to the hinterland. Residential settlements have grown along the R102, such as Shakaskraal and Groutville, and other settlements such Ballito along the attractive coastline,

accessed by roads from the R102. More recently the north-south corridor has been reinforced by establishment of the tolled national road freeway (N2), which is linked to an area road system by interchanges every few kilometers.

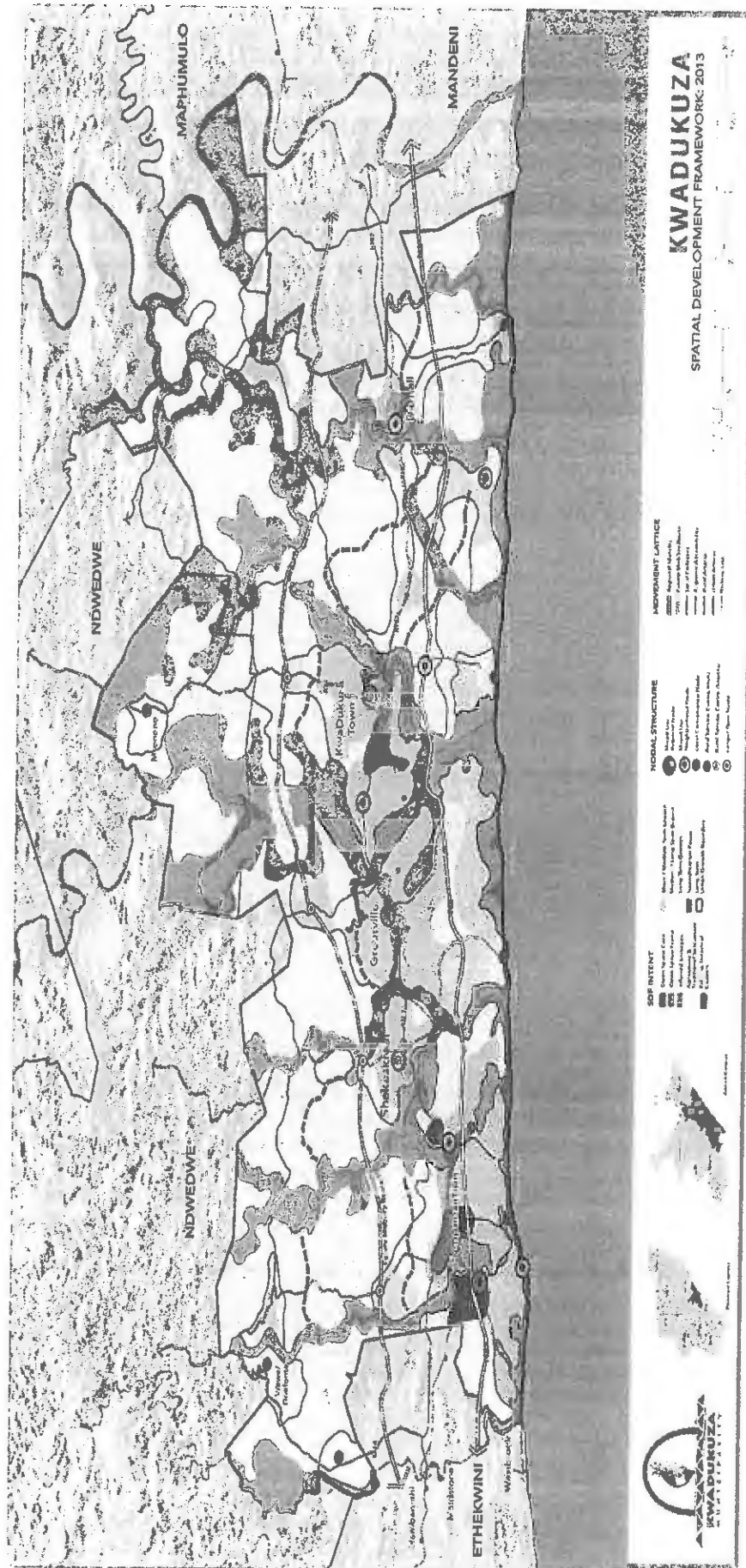
There is currently approximately 51 km of railway line within KwaDukuza. The rail infrastructure is thus a significant resource that exists, and the role of rail as a mass mover of people. The rail network in KwaDukuza forms part of a broader regional system that ties the area into Richards Bay to the north, and eThekweni (and then inland or further down the coast) to the south. The rail network provides a critically important, albeit vastly underutilized, resource in KwaDukuza. The network provides local, regional, national, and even international connectivity to the study area, and the location of the system in conjunction with the N2 and R102 systems has an extremely high strategic value.

Ballito is identified as a large commercial node and KwaDukuza Town as an administrative Centre. In addition, several inland towns are identified, viz, Shakaskraal/ Groutville and Darnall in the north. Finally, as a series of coastal clusters are included within each of the towns, e.g. Blythedale as part of KwaDukuza town, Zinkwazi as part of Darnall etc. each town cluster is contained within the river system and extends from the coast to the inland boundary of the municipality, such that each town has a distinct identity based on the existing development and unique local circumstances. These major nodes are spaced out at regular intervals of about 5km, so that everyone is within maximum of 2-3 km of node and are located primarily along the R102.

The active open space system or new central public park provides a green lung that integrates the Woodmead Cluster with a much needed recreational space. This creates a social space for the young and old in the area. The park is surrounded by existing schools thereby providing a supportive function to the educational facilities in the area. The coastline that forms the eastern boundary of KwaDukuza comprises a mix of sandy beaches, and rocky headlands. There are also areas of the coastline that are characterized by unique and ecologically important vegetation classes, specifically coastal forests and grasslands. The beaches, and the recreational activities associated with them, are the key resources driving the tourism sector in KwaDukuza.

More information on spatial analysis of KwaDukuza is discussed in detail under Sections C and Section I of this document and further expanded within the attached Spatial Development Framework (see annexure below).

Map 2: SDF Intent, Nodal Structure, Movement Lattice



SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES & GOVERNMENT PRIORITIES

B.1. PLANNING AND DEVELOPMENT PRINCIPLES

Development in KwaDukuza is underpinned by a number of principles that seek to encourage coordinated, harmonious and efficient utilization of land, whilst addressing spatial imbalances. These include:

B.1.1. National Spatial Development Perspective (NSDP)

- Developments /investment must only happen in locations that are sustainable.
- Basic services (water, sanitation, access and energy) must be provided to all households.
- In localities within low demonstrated economic potential, development/ investment must concentrate primarily on human capital development by providing educational and training, social transfers such as grants and poverty –relief programmes.

B.1.2. National Strategy for Sustainable Development

- Is meant to develop and promote new social and economic goals based on ecological sustainability and build a culture that recognises that socioeconomic systems are dependent on and embedded in ecosystems
 - Increase awareness and understanding of the value of ecosystem services to human wellbeing
 - Ensure effective integration of sustainability principles into all policies, planning and decision-making at national, provincial and local levels
 - Ensure effective system-wide integration and collaboration across all functions and sectors
- If there is a need for low-income housing, it must be provided in close proximity to areas of opportunity ("breaking new ground": from housing to sustainable human settlements)
- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted.
 - Monitor, evaluate and report performance and progress in respect of ecological sustainability in relation to socioeconomic goals:
 - Enhancing systems for integrated planning and implementation.
 - Sustaining our ecosystems and using natural resources efficiently.
 - Towards a green economy.
 - Building sustainable communities.
 - Responding effectively to climate change.

B1.3. SPLUMA

- Land development procedures must include provisions that accommodate access to secure tenure.
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised.
- Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development

FIGURE 4 - PLANNING AND DEVELOPMENT PRINCIPLES

B1.4. Boundary Linkages

- The adjacent municipalities to west and north of KwaDukuza are of rural character, with the potential to provide additional agricultural and tourism activities.
- There are potential increased development pressures and opportunities emanating from the south already visible in terms of pressure for additional coastal accommodation and various forms of economic development.

B.1.5. Breaking New Ground

- Residents should live in a safe and secure environment, and have adequate access to economic opportunities, a mix of safe and secure housing, and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities and health, welfare and police services.
- Ensure the development of compact, mixed land use, diverse, life-enhancing environments with maximum possibilities for pedestrian movement and transit via safe and efficient public transport in cases where motorized means of movement is imperative.
- Ensure that low-income houses are provided in close proximity to areas of economic opportunities.
- Integrate previously excluded groups into the city, and the benefits it offers, and to ensure the development of more integrated, functional and environmentally sustainable human settlements, towns and cities. The latter includes densification.
- Encourage social (Medium-density) Rental Housing – Social rental housing is generally medium-density and this housing intervention may make a strong contribution in urban renewal and integration.
- There is a need to move away from a housing-only approach to a more holistic development of human settlements, including the provision of social and economic infrastructure.
- More appropriate settlement designs and housing products, and more acceptable housing quality

B.1.6. KwaZulu Natal Provincial Growth and Development Strategy (PDGS)

- Environmentally responsible behaviour must be promoted through incentives and disincentives.
- The principle of self-sufficiency must be promoted.
- Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally.
- Furthermore, the principle is underpinned by an assessment of each areas unique competency towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency.
- Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities.

FIGURE 4- (CONTINUED) PLANNING AND DEVELOPMENT PRINCIPLES

B2. GOVERNMENT PRIORITIES

2.1. MILLENNIUM DEVELOPMENT GOALS

The United Nations MDGs declaration aims to promote a comprehensive approach and a coordinated strategy, tackling many problems simultaneously across a broad front'. It is a critical document whereby all signatory countries and development organizations have committed to aligning themselves with achieving the targets set by 2015.

The goals are as follows:

Goal 1: Eradicate extreme poverty and hunger

Goal 2: Achieve universal primary education

Goal 3: Promote gender equality and empower women

Goal 4: Reduce child mortality

Goal 5: Improve maternal health

Goal 6: Combat HIV/Aids, malaria and other diseases

Goal 7: Ensure environmental sustainability

Goal 8: Develop a global partnership for development

2.2. PRESIDENTIAL SPEECH

State of the Nation Address 2016 by His Excellency Jacob G Zuma, President of the Republic of South Africa on the occasion of the Joint Sitting of Parliament Cape Town, highlighted the following issues:

- a. Revitalisation of the agriculture and agro-processing value-chain,
- b. Advancing beneficiation adding value to our mineral wealth,
- c. More effective implementation of a higher Industrial Policy Action Plan
- d. Unlocking the potential of SMME, co-operatives, township and rural enterprises,
- e. Resolving the energy challenge,
- f. Stabilising the labour market;
- g. Scaling up private sector investment,
- h. Growing the Ocean Economy,
- i. Cross-cutting areas to reform, boost and diversify the economy,
 - i.Science, technology and innovation
 - ii.Water and Sanitation
 - iii.Transport infrastructure
 - ivBroad band rollout
 - v.State owned companies

2.3. BACK TO BASICS PROGRAMME

In line with the renewed mandate of the Presidential Priority, the back to basics programme is to be focused and driven towards giving differentiated support to municipalities. The back to basics programme was launched with the theme of serving communities better in the next five years. The plan of action is to ensure a focused and strengthened local government by getting the basics right and together with other spheres of government, providing basic services efficiently and effectively and in a caring manner.

The back to basics transformational agenda recognizes that there are widely divergent levels of performance between different categories of municipalities in terms of services, public engagement, good governance, financial management and technical capacity. The aim is to encourage all municipalities to become positively functional centres of good governance. There is also a need to set the proper standards for municipal performance. KwaDukuza Municipality committed itself to implementing the Back to Basics Programme, as means to revitalize basic service delivery. The programme has five pillars, namely:

1. Provision of basic services
2. Good Governance
3. Public Participation
4. Financial Management
5. Institutional Capacity

With regards to its implementation within the municipality, departments report on progress made on the set indicators and programmes that are implemented. Both on a monthly and quarterly basis K.D.M. consolidates reports which are in return sent to iLembe District Municipality, Provincial and National Cogta Departments.

The reports indicate performance of the municipality in different aspects of the key performance areas (providing services to its communities, whether these are carried out on time and on a regular basis. An indication from quarterly assessments by Cogta shows that K.D.M's performance varies between 60% and 80%. KwaDukuza Municipality however, continues to provide services while at the same time ensures good governance and consultation with its communities.

B 2.4. ILEMBE DISTRICT GROWTH AND DEVELOPMENT PLAN (DGDP)

iLembe District Municipality Council has approved and adopted the DGDP on the 25 February 2016. The DGDP is to translate the Provincial Growth and Development Strategy and Plan into a detailed implementation plan at a district level, inclusive of a detailed activity-level framework with targets and responsibilities assigned to the appropriate local municipality and government departments.

This will enable KwaDukuza Municipality to measure its progress against the set objectives and targets as agreed upon by all participants in the DGDG consultation sessions. In aligning with the District focus areas on the interventions identified in the document should propose specific timeframes that will have to be achieved in priority sectors within the municipal area.

Below are the objectives of the District Growth and Development Plan, which have to cascaded to KDM's programmes.

1. Set a long term vision (15 year+) and direction for development in the District; this takes as a basis the ILembe Regional Spatial Development Plan (IRSDP), the plan formally adopted by the District Municipality which has a vision to 2050. The IRSDP builds on five pillars which are congruent with the PGDP framework.
2. Table 1: DGDG Objectives Serve as the overarching strategic framework for development in the district and its family of local municipalities applying the 80/20 principle (it is not an inventory of all that we will do);
3. Provide a spatial context and prioritisation (not just what, also where and when);
4. Guide the strategic interventions and resource allocation of the district and other spheres of government, business sectors, organised labour and other role players from civil society that can contribute to development in the district;
5. Establish clear institutional arrangements to secure buy-in and ownership, through a structured consultation process with all development partners;
6. One plan for all ownership and leadership. The district is tasked with the implementation of the District Growth and Development Plan and as such is a "lead stakeholder". The district and its family of municipalities are the custodians of the District Growth and Development Plan;
7. Align and integrate: departmental strategic plans, municipal government IDP's and sector strategies and plans should cohere around the key goals and objectives of the DGDG;
8. Put in place a monitoring and evaluation framework which responds to district priorities and provincial priorities across identified economic, social and spatial parameters.
9. Set up structured consultation within the existing institutional framework. Achieving alignment and integration across the range of government and social partners is necessary and the DGDG recognizes the need for an institutional framework which makes this possible. The existing institutional framework may need to be strengthened and / or expanded to include the range of goals and social partners; and
10. Ensure resource commitments and budget alignment: With the agreed set of objectives and targets providing a common platform, the resource commitments of departments and municipal entities will be better leveraged for impact in the district.

SECTION C: SITUATIONAL ANALYSIS

C.1. DEMOGRAPHIC CHARACTERISTICS

The population of KwaDukuza Municipality has grown by 37.8 % since 2001 from 167 805 to 231 187 in 2011 (Census 2011). Furthermore, it has been speculated that during peak season KwaDukuza population reaches +/- 320 000 people because of holiday makers. KwaDukuza Municipality is one of the four KwaZulu Natal Municipalities which has shown significance growth in population between 2008- 2011.

1.1. POPULATION BY RACIAL GROUPS

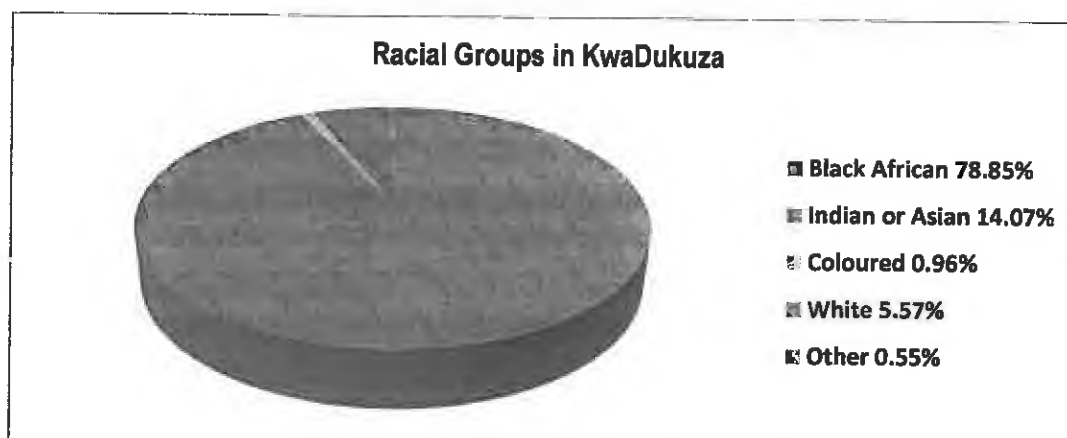
The population of KwaDukuza is mainly dominated by Black Africans, followed by Indians or Asians. Whites and Coloureds follow respectively; with people classified as other they constitute the minimum percentage of KwaDukuza Municipality. This level of population distribution emphasizes the importance of the Municipality to actively plan towards rectifying any past imbalances in terms of economic development, infrastructure, housing, and social services.

SHOWING POPULATION BY RACIAL GROUPS

RACE	Number of People	Percentage (%)
Black African	182,285	78.85
Coloured	2,213	0.96
Indian or Asian	32,530	14.07
White	12,885	5.57
Other	1,274	0.55
Total	231 187	100

TABLE 2- POPULATION BY RACIAL GROUPS

Source: Stats SA, 2011



GRAPH 1- RACIAL GROUPS

Source: Stats SA, 2011

1.2. MOST SPOKEN LANGUAGE IN KWADUKUZA MUNICIPALITY

The most spoken language within KwaDukuza Municipality is IsiZulu with 67.50 % of the population who speak this language fluently; followed by English, IsiXhosa and Afrikaans with 21.20%, 7.10% and 1.50% respectively. The rest of other languages are spoken by less than 1.00% of the population with the majority of these South African languages being spoken by less than 0.20% of the population.

Most spoken language in KwaDukuza

Language	% of Population
IsiZulu	67.50%
English	21.20%
IsiXhosa	7.10%
Afrikaans	1.50%
IsiNdebele and Xitsonga	0.90% & 0.70%

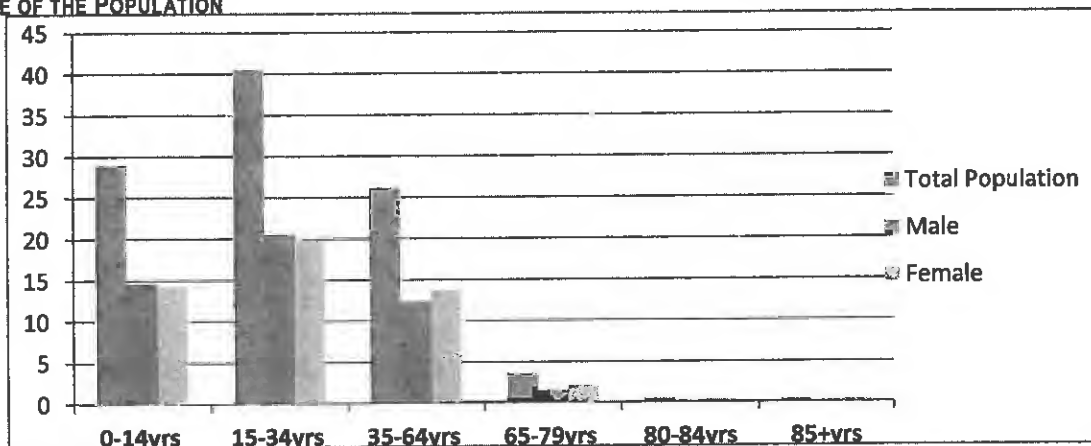
TABLE 3-MOST SPOKEN LANGUAGE

Source: Stats SA, 2011

1.3. AGE OF THE POPULATION

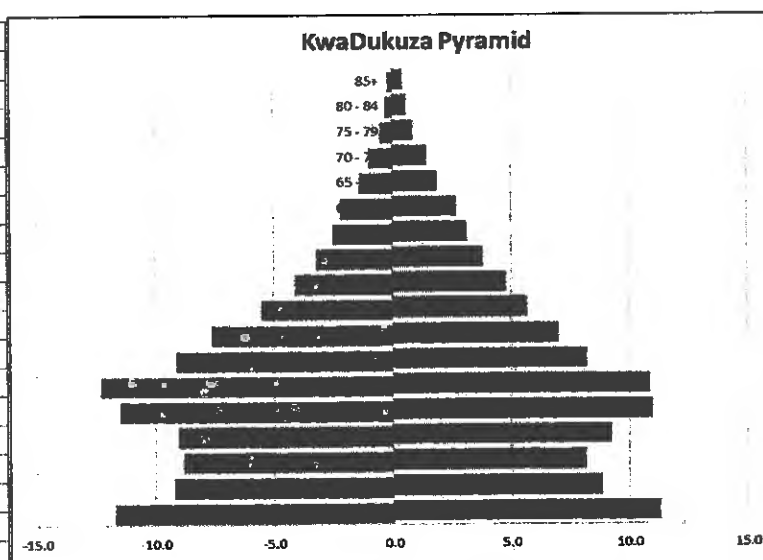
The KwaDukuza population has a large youth segment, the total number of people under the age of 14 years account for 29.00% of the total population, the percentage of the population that is at age between 15-34 years consist of 40.53% of the total population. The age group 35-64 represents 26.15% of the total population, then the age group that is between 65-79 is represented by 3.56% and finally the age group of 80+ comprises only 0.77% of the total population. It is interesting to note that the Male component in the age group 65+ consists of half the percentage of the female in the same age Category being 1.70% and 2.63% respectively.

AGE OF THE POPULATION



TGRAPH 4 - AGE OF THE POPULATION

	Male	Female
00 - 04	-11.7	11.3
05 - 09	-9.2	8.9
10 - 14	-8.8	8.2
15 - 19	-9.0	9.2
20 - 24	-11.5	11.0
25 - 29	-12.3	10.9
30 - 34	-9.1	8.2
35 - 39	-7.6	7.0
40 - 44	-5.5	5.7
45 - 49	-4.1	4.8
50 - 54	-3.2	3.8
55 - 59	-2.5	3.1
60 - 64	-2.2	2.7
65 - 69	-1.4	1.9
70 - 74	-1.0	1.4
75 - 79	-0.5	0.9
80 - 84	-0.3	0.6
85+	-0.2	0.4



GRAPH 5 - KDM AGE PYRAMID

Source: Stats SA 2011

1.4. KEY FINDINGS AND TRENDS

- The population of KwaDukuza Municipality has grown by 37.8 % since 2001 from 167 805 to 231 187 in 2011 (Census 2011).
- The population of KwaDukuza is mainly dominated by Black Africans, followed by Indians or Asians. Whites and Coloureds follow respectively; with people classified as other they constitute the minimum percentage of KwaDukuza Municipality.
- The most spoken language within KwaDukuza Municipality is IsiZulu with 67.50 % of the population who speak this language fluently.
- KwaDukuza's population has a large youth segment, the total number of people under the age of 14 years account for 29.00% of the total population, the percentage of the population that is at age between 15-34 years consist of 40.53% of the total population.

C 2: CROSS CUTTING ISSUES (SPATIAL, ENVIRONMENTAL AND DISASTER MANAGEMENT)

C.2.1. SPATIAL ANALYSIS

2.1.1. SUMMARY OF STATUS QUO ASSESSMENT

The KwaDukuza Municipality incorporates an area of approximately 633km² between the Tongati and Tugela Rivers in Northern KwaZulu Natal. The boundary of KwaDukuza extends from the vicinity of the Tugela River and the Endondakusuka/ Mandeni Municipality in the north, through to the eThekweni Metropolitan Municipality and the Tongati River in the south, and from the Maphumulo and Ndwedwe Local Municipality boundaries in the west to the coastline in the east.

The KwaDukuza study area includes a 50km stretch of coastline incorporating a range of sensitive coastal environments, a great number of unique river mouths and lagoons, and significant urban developments in the southern sections. North-south movement and accessibility is provided by the N2 and the R102 respectively, and the main east-west linkages include the R74 to Kranskop and the R614 to Wartburg. The major urban areas consist of KwaDukuza Town and surrounding areas, a number of smaller coastal settlements, and growing urban development around the Ballito area abutting onto eThekweni. Beyond the areas of urban development, the bulk of the KwaDukuza study area, particularly the relatively flat coastal strip, is used for agricultural activities.

From a regional structural and economic development perspective the N2 corridor signifies a linear pattern of growth with KwaDukuza Municipality located on the north-south corridor system roughly midway between the eThekweni growth area and the growing Richards Bay area. The location of KwaDukuza between the ports of Durban and Richards Bay is significant in terms of longer-term growth trends within the region. The regional significance of KwaDukuza relative to the economic importance of these two harbours emphasizes the role of the north south corridor that forms the key development axis around which development within the study area has grown over time. It is this axis, and the related elements that make up this corridor (The road & rail links) that currently exists, that is likely to form the basis for structuring future growth and development, and providing the vital opportunities for a growing, and rapidly urbanizing population.

The SDF provides an overview of the Status Quo/ Situational Analysis, detailing a range of issues pertaining to the current and likely future development context of the geographic nature of KwaDukuza Municipality. The following is offered:

Context

At a regional level, the need to find a balance between economic growth and development in well located coastal and corridor catchments, and concentrations of poverty and need, remains a key challenge, and one that is closely tied to the spatial future of KwaDukuza.

Establishing greater north south and east west access across the region will be central to unlocking much of the future development potential of the region. This lattice needs to be supported by an efficient public transport system as an essential ingredient towards improved urban performance. A substantial opportunity for public transport exists in the primary corridors, where the existing rail system closely parallels the main higher order road systems, especially in the KwaDukuza area.

Natural Resource Base

There are numerous high value environmental resources within the study area that must be protected as the area grows and develops over time. These include the rivers and appropriate buffer areas, the related estuaries and wetland systems, as well as endangered forests and other areas with high biodiversity value.

Whilst the KwaDukuza area has a range of valuable resources, these resources tend to be spatially fragmented, limiting their potential role in the broader environment, and also making them more difficult to manage.

This fragmentation also leads to some of the smaller resources becoming more susceptible to urban development, or to the influence of urban development, such as impacts on watercourses, invasion of alien vegetation, etc.

Addressing fragmentation is a structural problem, requiring a structural response. Environmental systems must thus be seen as a structuring prerogative in any spatial future for KwaDukuza.

Settlement Structure

KwaDukuza Town is the dominant urban node not only in the KwaDukuza Municipality, but also in the broader sub-region, and is likely to remain as such given the proposed development projects around this focus area. Social and community infrastructure is generally lacking in most areas, and the level of access to these facilities tends to decrease towards the west of the study area. The central portions, around KwaDukuza Town/ Groutville/ Shakaskraal tend to be better service, and more accessible.

Proposed development rights suggest some scope for consolidation of existing settlement areas. Existing retail/commercial/office development rights account for some 1 737 515 m², and there is currently approximately 2 606 272 m² of land that is zoned for industrial and logistics purposes.

Based on the dwelling count undertaken for the current exercise, it is apparent that there exists a significant amount of potential capacity for intensification in most residential zonings. The areas zoned for low density residential reflect a gross density of 8.66 dph, medium density of 10.92 dph, and high density 19.07 dph.

Movement & Connectivity

The north-south road elements, specifically the N2 and R102, define and facilitate a broader development corridor that runs as an axis through the centre of KwaDukuza. The accessibility and connectivity that these elements provide, together with the rail-based public transport system, suggests that the fundamentals of a powerful regional development corridor are already in place.

The rail network provides a critically important, albeit vastly underutilized, resource in KwaDukuza. The network provides local, regional, national, and even international connectivity to the study area, and the location of the system in conjunction with the N2 and R102 systems has an extremely high strategic value.

Local levels of accessibility tend to favor those areas where the different corridor elements interact spatially, such as the areas around Ballito/ Compensation. Due to the nature of the topography in the western parts of the study area, and the limited infrastructure that exists, accessibility levels tend to be significantly lower.

Demographic Characteristics

The dwelling count undertaken identified a total of 47 524 dwellings throughout the KwaDukuza area, suggesting a current total population in KwaDukuza of 228 115 people.

It is not entirely clear at this stage what the relationship is between natural population growth (and migratory trends) and the additional population that would be housed through public housing projects. The anticipated population that could be supported by the current housing program (of 17 000 units) is in the region of 81 000, a figure that is almost double the natural population growth anticipated by the year 2035.

The future growth of the KwaDukuza Population cannot be seen in isolation to that of the surrounding district – not all areas share the same levels of in or out migration, and KwaDukuza specifically is subject to higher levels of growth through migration than areas such as Ndwedwe and Maphumulo.

The Spatial Economy

The agricultural sector remains the dominant contributor to the local economy, although at the same time it is coming under increasing pressure from urban development. The fundamentals driving this sector, however, remain strong in the KwaDukuza area, and represent a significant resource for the broader region.

Whilst the manufacturing sector plays a secondary role to agriculture in terms of economic contribution, it is likely to become a key area of growth in the area in the future, a trend that is already evident in terms of development proposals emerging in the southern portions of KwaDukuza. Locational characteristics and site conditions suggest significant opportunities for growth along parts of the north-south corridor. The Tourism sector is a significant and growing sector in the local economy.

Central to the longer term growth of this sector will be the need to ensure the protection of the resource base driving this sector, specifically the coastline, estuary areas, forested areas, and heritage assets.

The N2 corridor area represents a key structural element in the broader economy, and the location of KwaDukuza on this axis, between two major economic focus areas (Durban and Richards Bay), provides a powerful structural foundation for economic development in KwaDukuza.

SPATIAL CONCEPT

In the context of the preceding assessment, the following core objectives are considered central to enabling growth and change in KwaDukuza to address many of the challenges facing the area:

- Protect the natural & cultural processes that are integral to the future growth of the region;
- Protect the inherent productive potential of land;
- Provide sustainable ecosystem resources to residents;
- Provide a robust movement network that balances local accessibility and regional mobility functions;
- Enhance equity and access within the movement system;
- Promote passenger rail transit as the basis of a public transport system that will support future growth and change in the region;
- Accept that movement, and public transport in particular, will be the key influence on future urban form within the region, and plan accordingly;
- Limit sprawl and the outward growth of urban areas;
- Reducing the need for commuting by promoting a greater degree of integration between residential areas and employment and other urban opportunities;
- Increase thresholds of support in sparsely populated areas (around local/service nodes?);
- Ensure that Public Spatial Investment directly address areas of Need (Economic, Service & Social);
- Improve sustainability of urban facilities in existing settlements and new growth areas;
- Eliciting private investment through targeted interventions in high potential growth areas;
- Promote responsible densification, intensification and infill development;
- Assist in protecting and conserving key natural, agricultural and heritage resources in the short to medium term;
- Contribute to supporting the development of a viable public transport system and improving current levels of accessibility to urban resources and amenities; and
- Provide a degree of certainty to developers and landowners on desired growth patterns.

Approach to Intervention

The approach adopted to address these challenges is based on four fundamental precepts:

Securing the Natural Resource Base;

Developing a Spatial Lattice, predicated on Public Transport, for guiding growth and development; Structuring capital investment through a defined structure of investment nodes; and Managing Growth and Development on a sustained basis.

Spatial Concept on Land Use

The spatial concept of the SDF offers guidelines and recommendations with regards to the following:

- Residential development;
- Tourism development; and
- Industrial development.

Elaborating the Concept

Two concepts are proposed being the Coastal Cluster Concept which assumes an area bounded by an Urban Growth Boundary between the Freeway and the sea, and the river systems; and that it comprises a series of neighbourhoods.

A second concept has been developed for the inland Corridor along the R102. The Nodal Corridor concept is a "classic" Nodal Corridor. The concept exhibits how the communities (Groups of neighbourhoods) are located along and on either side of the High Friction road.

Implementation Framework

The SDF is part of the KwaDukuza IDP, and its implementation is crucial to the development of the municipal area and its communities. Through the IDP, the SDF will influence budgeting and resource allocation and specific interventions will be measured through the performance management system. Practical implementations of the SDF will be achieved through further detailed planning of special development areas.

The KwaDukuza Spatial Development Framework contributes in a meaningful manner towards the spatial restructuring and development within the municipality, and it is therefore vital to address key implementation aspects related to the SDF and spatial planning in general. It is envisaged that the implementation of an SDF will have to address at least the following three aspects:

Alignment of Efforts

The alignment of spatial intentions and strategies with surrounding municipalities, especially those that comprise the iLembe District, to ensure regional combined effort and co-operation as well as internal alignment of the intentions of the SDF within all the internal departments within the municipality.

Resource Targeting

The assessment of current capital investment target areas to assess the level of compliance to the findings and intentions of the SDF as well as to identify any gaps or needs for additional expenditure in order to achieve the desired spatial structure.

Further Planning

The strategic nature of the SDF always identifies key intervention areas which might require more detailed investigation and/or planning and this should be addressed as a vital part of direct implementation of the SDF. This will also include some guidelines for the municipality's land use management system. The outcomes of each of these areas of implementation planning then results in an overall systematic implementation strategy with a number of proposed interventions with the

short, medium and long term and intends to directly influence the formulation of the KwaDukuza Integrated Development Plan.

CONSULTATION

A consultation process was undertaken for the SDF and is included as an annexure.

2.1.2. REGIONAL CONTEXT

The KwaDukuza Municipality incorporates an area of approximately 633km² between the uThongathi and uThukela Rivers in Northern KwaZulu Natal. The boundary of KwaDukuza extends from the vicinity of the Tugela River and the Mandeni Municipality in the north, through to the eThekweni Metropolitan Municipality and the uThongathi River in the south, and from the Maphumulo and Ndwedwe Local Municipality boundaries in the west to the coastline in the east.

The KwaDukuza study area includes a 50km stretch of coastline incorporating a range of sensitive coastal environments, a great number of unique river mouths and lagoons, and significant urban developments in the southern sections. North-south movement and accessibility is provided by the N2 and the R102 respectively, and the main east-west linkages include the R74 to Kranskop and the R614 to Wartburg. The major urban areas consist of KwaDukuza Town and surrounding areas, a number of smaller coastal settlements, and growing urban development around the Ballito area abutting onto eThekweni. Beyond the areas of urban development, the bulk of the KwaDukuza study area, particularly the relatively flat coastal strip, is used for agricultural activities.

From a regional structural and economic development perspective the N2 corridor signifies a linear pattern of growth with KwaDukuza Municipality located on the north-south corridor system roughly midway between the eThekweni growth area and the growing Richards Bay area. The location of KwaDukuza between the ports of Durban and Richards Bay is significant in terms of longer-term growth trends within the region. The regional significance of KwaDukuza relative to the economic importance of these two harbours emphasizes the role of the north south corridor that forms the key development axis around which development within the study area has grown over time. It is this axis, and the related elements that make up this corridor (The road & rail links) that currently exists, that is likely to form the basis for structuring future growth and development, and providing the vital opportunities for a growing, and rapidly urbanizing population.

2.1.3. ADMINISTRATIVE ENTITIES

KwaDukuza is one of four Local Municipalities that constitute the iLembe District Municipality, with the other three being Ndwedwe, Mandeni and Maphumulo. Whilst not the largest of the Local Municipalities, it is the most significant from an economic and development perspective, due largely to the connectivity and regional opportunity around the N2 corridor, and the importance of the coastline, and the historic development patterns that have given form to this natural resource over

time. Subsequent to the initial demarcation of the District and Local Councils in 2001, the original extent of KwaDukuza has recently been extended into the Ndwedwe area, assimilating an additional 1379 dwellings, or approximately 6 619 residents, and the delineation of Ward Boundaries amended.

The KwaDukuza Municipality comprises of 27 wards. After it has been newly demarcated, it will comprise of 29 wards. The two additional wards include wards 28 and 29. Ward 28 comprises Inglemere Estate, De Jagers Kraal, Collisheen, Manor Estate, Compensation, Hemsley and Umhlali areas. Ward 29 comprises of Dube Village, Shiela Area, Mbonambi Area and Ten Acres.

Traditional Authority land makes up a small portion located along a short strip of, and the north western municipal boundary bordering the Maphumulo Local Municipality. Land in these areas is governed by tradition and tenure which is administered by Traditional leaders and is characterized by a strong subsistence base. Based on statistics prepared in 2008, the local economy of KwaDukuza reflected a stronger reliance on the agricultural sector (54.5%). The second largest contributor being the manufacturing sector contributed just less than 17% and with the tourism sector forming part of the remaining percentage

2.1.4. EXISTING NODES AND CORRIDORS

Nodes

Darnall Node: includes areas of Zinkwazi, Darnall, Nyathikazi, Sakhamkhanya, Doringkop, San Sauci, Nonoti Mouth, Princess Grant, New Guiderland, etc.

The above areas include planned human settlement projects which are earmarked for the areas of Nyathikazi, Nonoti Mouth and San Sauci.

KwaDukuza Node: includes areas of Blythedale Beach, Shakaville, Lindelani, Stanger Manor, Stanger Heights, Doctorskop, Glenhills, Shayamoya, Rocky Park, KwaDukuza Central, Madlundube, etc.

Groutville Node: includes areas of Ntshawini, Groutville, eTete, Thembeni, Addington Farm, etc. This node is identified as a primarily retail orientated node at the intersection of the R102.

Southern, Driefontein, Ballito Node: includes areas of Driefontein, Shakaskraal, Salt Rock, Tinley manor, Woodmead, Shayamoya, etc.

The supportive public facilities within the outer 400m radius range (5 minute walking distance) are the new police station, the new district library, the new district community hall and the new district health facility. The R102 and P104 are the natural active economic systems due to the high visibility and accessibility therefore the uses along these edges reflect this. The zone that integrates the primary node to the secondary nodes determines how active the nodes will be. It is proposed to reclaim lost space within the Woodmead Cluster and redefine it as a tertiary educational facility with medium density housing surrounding this function (this could assist in student housing).

The secondary nodes have a high level of mixed use activity patterns. This ensures a live, play, work environment.

Corridors

Regional Mobility:

The N2 freeway provides the highest level of regional (and national) connectivity to the Municipality, and the interchange points along this route provide numerous opportunities.

Regional Accessibility:

The R102 provides a high degree of regional connectivity by virtue of its historic role as the main north-south link. In addition to this role the R102 provides higher level accessibility to main development areas and structures intensive growth responses within the Municipality. It also functions as a local accessibility route due to its significant city-building

element it plays and has historically formed the impetus (together with the rail) of a large number of the settlements that currently exist in the KwaDukuza Municipality. Further to this, access to the KwaDukuza CBD on a regional scale is adequate, with links to the west (R74) and north and south (N2, R102 & North-south rail line) of the province.

Urban Arterial

The R614 and R74 are described as higher order distributor routes that link together different elements within the corridor, most notably the regional Mobility and Regional Accessibility routes. These routes provide higher level accessibility to main development areas, are characterized by higher intensity development and consist of concentrations of activity at interchanges.

Rural Arterial

The R74 and R614 are also identified as key movement routes that link the future growth and development opportunities of the corridor structure to the traditional rural settlements. Whilst these routes are thus key elements in correcting inequalities and shortfalls in terms of urban services, they do not themselves constitute development or activity spines, given that their focus is more on connecting specific focal points or nodes with the larger development context. They are, however, critical public transport routes.

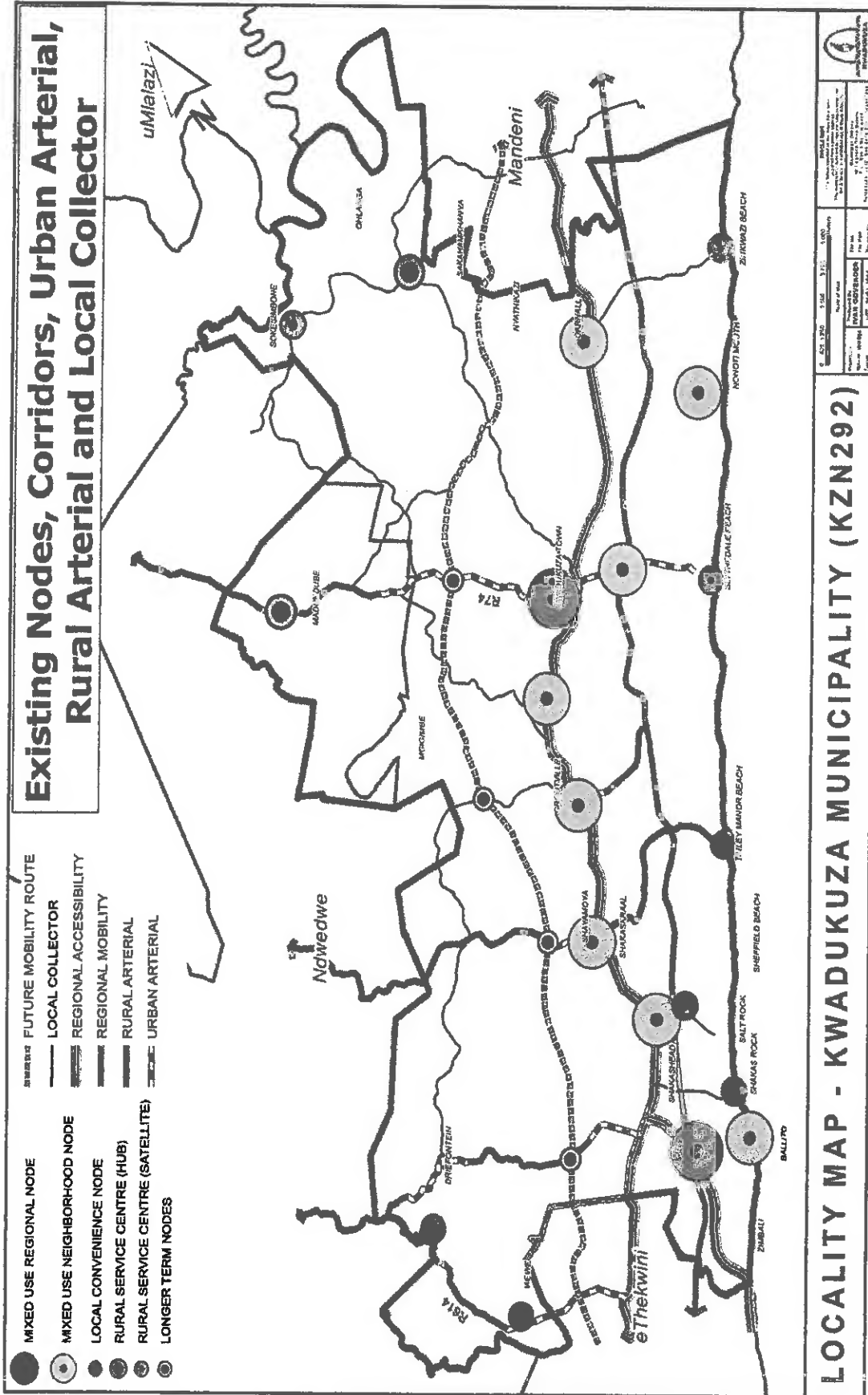
Local Collector

The P103 and other P routes provide access to more localized settlements, tying them into the broader urban system. Lower intensity non-residential developments are presented with access along these routes and higher density residential clusters at key points

Node	Settlement	Core Functions	Activity Structure	Density / intensity	Public facilities	Public transport	Retail response
Mixed Use Regional Node	KwaDukuza Town	Traditional / historic, urban core, government, administration	Mixed use (Retail, business, industrial and residential)	High intensity, full range of densities	National/Provincial / facilities	Multi-modal	Regional Centre Catchment
Mixed Use Regional Node	Ballito Compensation	Metropolitan scale activities, serving a number of districts /	Mixed use (Retail, business, industrial and residential)	High Intensity, full range of densities	Full range (Including national & provincial)	Multi-modal	Regional Centre Catchment

		local areas.	Mixed use, Including residential.	Medium to high intensity, medium to high density range	Wide range, including provincial and community level	Multi-modal	Community Centre/Neighbor hood Centre
Mixed use neighborhood node	Shakaskraal/ Woodmead; Grouteville; Darnell	Sub-metropolitan scale activities, serving a number of precincts/settlement s					
Local convenience node	Zinkwazi, Blythedale, Tinley Beach, Salt Rock	Activity center serving two or more precincts/settlement s	Mixed use, residential based	Medium to low intensity, low to medium density	Community level	Single/dual modes	Single outlet, small cluster
Rural service centre	Msonono. Amaharai	Convenience/service point	Convenience/ specialist functions, including government	Low intensity, low density	Satellite/mobile	Single mode	Single outlet

Table 4 - existing nodes, corridors, urban arterial, rural and local collector



For the structuring of capital investment, the KwaDukuza SDF identifies that the distribution of services within KwaDukuza must be oriented towards meeting a range of related performance dimensions where these include nodes, corridors, Urban arterial, rural arterial and local collectors.

These include the following:

- Increasing densities and promoting compactness in order to improve thresholds of support, and subsequently the range and overlap of facilities and opportunities;
- The spatial distribution of services should target the highest levels of equity, and ease of access, across a range of scales;
- The provision of services should seek to bring together different elements of capital investment in a mutually supportive structure to stimulate a greater response over time;
- Investment should allow for the integration of services to encourage multiple and shared use of facilities to maximise the use of limited resources;
- The clustering of facilities and services should be promoted as a means of fostering choice and identity within identified urban nodal points;
- In areas of higher densities, such as in established urban areas, the twinning of similarly scaled facilities across sectors
- In areas of lower settlement density, the distribution of investment across a number of accessible points, as a means of promoting broader opportunity, should be explored. (Balance between accessibility and viability)
- Notwithstanding areas of service specialisation, space standards that guide the delivery of services should seek to accommodate higher levels of integration and overlap, where the principle of mixed use should drive space utilisation and layout;
- Facilities and services should respond to public transportation elements and related installations, rather than being imbedded in local areas;

Further to the above as stipulated in the KwaDukuza SDF:

The ability of nodes to grow in size and complexity is influenced by a range of factors, including:

- Degree of connectivity with the regional and adjoining context;
- The level of accessibility to the node (i.e.: hierarchal level of interceutory routes that have given rise to the node, etc.);
- Existence of specific constraints to growth (Environmental constraints, etc.);
- The layers of threshold of support related to the node;
- The economic base, and inherent potential for growth and investment (Bid-value)

It should be considered that over and above the strategic nature of promoting Mixed Use Development in the Mixed Use Regional Nodes of KwaDukuza there are aspects related to strategic policy documents that have since been adopted by council. These documents are inter-alia the exiting Spatial Development Framework and further give sense and meaning the notion of further developing the Mixed Use Regional Nodes of KwaDukuza.

The KwaDukuza CBD Regeneration Study which was a specific study related to the principles inherent to the current SDF states the following in terms of correlation to the KwaDukuza Municipality Spatial Development Framework:

MIX OF USES

- The current land use within the CBD and the stipulated zoning controls according to the KwaDukuza data do not correlate;
- Future development planning should continue to encourage a dynamic mixed use environment.

ECONOMIC PROFILE

The important economic considerations that are taken into account during this study are;

- The competitive position of the CBD in relationship to the other developments that are taking place in iLembe and surrounding municipalities;
- The role of the formal and informal economy within the CBD
- The role of economic activities such as commercial and office developments, light and service industry;
- Role of historic sites and tourism areas within the CBD
- Positioning of KwaDukuza within the local and district economies
- The establishment of an environment conducive to economic development including safety and security, health and welfare, education and training

COMPETITIVENESS OF THE CBD

- The CBD has a wide variety of goods and services but there is a need for investment in, and promotion of business

- Incentives need to be created to attract new business
- Need for greater security to attract more shoppers
- Need for space for expansion of business
- Need for more accommodation facilities

FACILITIES MISSING IN THE CBD

- Demand for more chain retail stores and food outlets in the CBD
- Demand for greater sporting and recreational facilities
- Need for more public toilets and parking in the CBD

BUSINESS TRENDS

- Majority of businesses are facing a decline in customers and turnover due to cost of living; economic decline; crime; lack of parking facilities and promotion of the CBD
- Many businesses are willing to expand within the CBD given the provision of additional space or a shopping centre
- Most businesses are facing large competition from other businesses within the CBD while many are facing increasing pressure from other businesses outside the CBD (Ballito & Umhlanga)

The above applies to the Mixed Use Regional Node as identified in the KwaDukuza SDF for the town of KwaDukuza. Further aspects related to the Mixed Use Node are detailed in the KwaDukuza CBD Regeneration Study.

In relation to the Mixed Use Regional Node for the KwaDukuza CBD there are two projects in the pipeline which are aligned to the SDF and other council policies. These projects are namely the Golf course redevelopment Project and the KwaDukuza Town Taxi Rank. Both these projects fall within the ambit of structural capital investment as they fall within the identified Mixed Use Regional Nodes.

The adopted KwaDukuza Southern Local Area Plan also is informed by the current SDF where the following have been identified in the framework:

Framework Informants

The distribution, mix and intensity of land uses and activities needs to be guided to address social, economic and environmental objectives. Core objectives of the KwaDukuza SDF are to structure capital investment (see below) and to manage growth and development.

SDF Objective – Structure Capital Investment

- Increase thresholds of support in sparsely populated areas (around local/ service nodes)

- Ensure that public spatial investments directly address areas of need (economic, service and social)
- Improve sustainability of urban facilities in existing settlements and new growth areas
- Elicit private investment through targeted interventions in high potential growth areas

The Land Use Framework builds on the SDF objectives and identifies the critical elements within the GCA that are integral to structuring capital investment and managing growth and development. The Land Use Framework also has a key role to play in supporting the LEAP objective to encourage a spatial transition from "fragmented, sprawling, chaotic, two-worlds, private transport, car-orientated and low mobility" to "integrated, compact, well-managed, public transport and transit orientated and high mobility".

Framework Objectives

The objectives of the Land Use Framework are as follows:

Develop a Network of Social and Economic Activities

Establish a system of activity nodes and spines within the GCA that will accommodate a mixture of economic activities, community facilities and/or higher intensity residential and agricultural activities. These activity nodes and spines are critical in that they provide favourable locations for community economic development initiatives and community facilities that are accessible to and support adjacent communities and passing trade. Key aspects include:

- **Establish a Mixed Use Mobility Corridor along the R102 providing access to adjacent Activity Nodes and Development Areas** – the corridor should respond to adjacent thresholds with: industrial, business and mixed uses in the Compensaiton area to the south; residential and community uses in the Shaka's Head area; industrial and business uses north of Shaka's Head; and mixed use, residential and community uses in the Umhlali area.
- **Establish an Activity Spine System parallel with the R102 to structure Development Areas** – establish a system of parallel activity spines parallel with the R102 to structure, provide access to and integrate development and to protect the mobility function of the R102.
- **Establish an Activity Spine and Nodes parallel with the R614** – to provide a linkage between Wewe and Driefontein, to open up opportunities for settlement growth and the development of local nodes and to protect the mobility function of the R614.
- **Establish a Hierarchy of Activity Clusters and Areas**

The development of a network of social and economic activities should be structured according to an appropriate hierarchy to ensure a suitable range of locational options are provided for different types of activities and to guide higher

order economic activities and social facilities into the most accessible locations and lower order facilities close to the residential areas they support.

Urban Arterial

The R614 and R74 are described as higher order distributor routes that link together different elements within the corridor, most notably the regional Mobility and Regional Accessibility routes. These routes provide higher level accessibility to main development areas, are characterized by higher intensity development and consist of concentrations of activity at interchanges.

Rural Arterial

The R74 and R614 are also identified as key movement routes that link the future growth and development opportunities of the corridor structure to the traditional rural settlements. Whilst these routes are thus key elements in correcting inequalities and shortfalls in terms of urban services, they do not themselves constitute development or activity spines, given that their focus is more on connecting specific focal points or nodes with the larger development context. They are, however, critical public transport routes.

Local Collector

The P103 and other P routes provide access to more localized settlements, tying them into the broader urban system. Lower intensity non-residential developments are presented with access along these routes and higher density residential clusters at key points.

2.1.5. BROAD LAND USES

The broad land use pattern that characterizes KwaDukuza is dominated by agricultural activity, in this case sugar cane cultivation, which comprises over 84% of the total land area. Urban related development within KwaDukuza, both formal and informal, constitutes less than 5% of the total land area. The remaining land portions, after urban and agricultural activities have been taken into account, comprise a range of underdeveloped patterns, with recognized ecological or environmental resources.

The Spatial Development Framework which was recently completed found the following:

- New Urban Centres, comprising relatively recent higher intensity developments, predominantly retail centres, in growing settlements;
- Suburban settlement, mainly within established urban centres such as KwaDukuza Town;
- Old "Township", low to medium density, lower income residential areas, generally dislocated from main urban opportunity;
- New "Township", recently developed low to medium density, lower income residential areas, often as deposit to existing settlements, and often with the same degree of dislocation from urban opportunities;

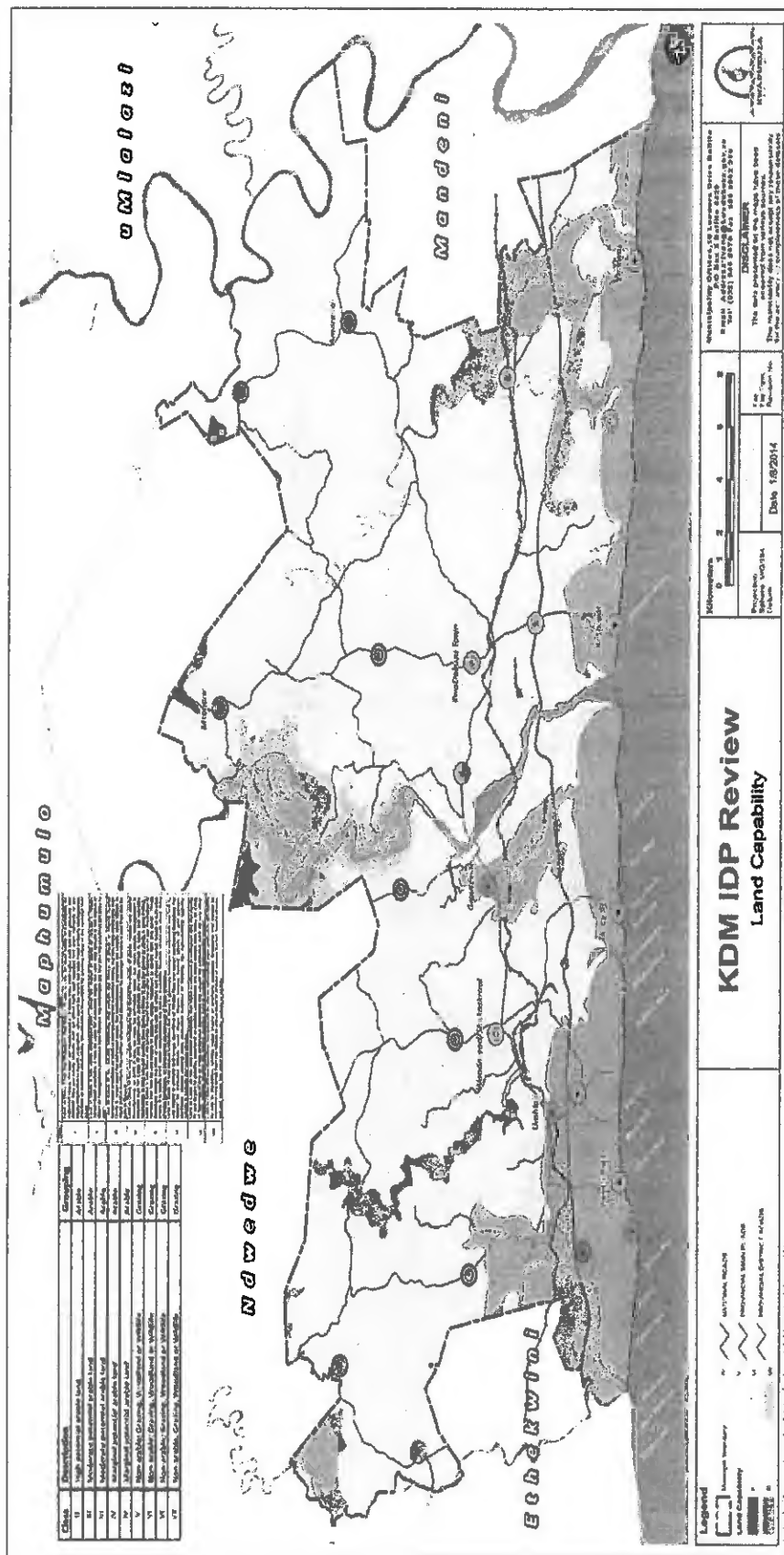
- Urban Core, representing the business and mixed use fabric of larger towns and settlements within KwaDukuza, such as KwaDukuza Town;
- Agricultural Settlement, generally around main roads and service centres serving extensive agricultural areas, characterized by very low residential densities;
- Higher density suburbia, comprising mainly cluster or townhouse types of development, in growing areas;
- Informal settlement, generally close to existing employment and/or activity centres;
- Lifestyle residential developments, such as those in and around Zimbali, characterized by low density, high cost development, often associated with environmental or recreation resources;
- Traditional rural, a less formal pattern of settlement generally some distance from the main urban settlement areas, governed by tribal tradition and tenure, with a strong subsistence base (Livestock and crops); and
- Traditional peripheral, a less formal pattern of settlement closer to urban settlements, characterized by higher densities, and higher growth patterns, but still governed by tribal tradition and tenure.

2.1.6. SPLUMA IMPLEMENTATION

The KwaDukuza Municipality has implemented its administrative systems related to the implementation of SPLUMA. At present the KwaDukuza Municipality has gazetted its SPLUMA bylaws and is already accepting applications via the SPLUMA. In relation to the operations aspects related to the implementation of SPLUMA. The delegations aspect related to the implementation of SPLUMA as an annexure.

Much of the land ownership in KwaDukuza is privately owned land. There are very few properties that are under public ownership. A large amount of land is used for agriculture of which the dominant agricultural use is the cultivation of sugar cane though it is disappearing as there are a lot new developments coming up in these areas.





MAP 4 - KDM LAND CAPABILITY

2.1.8. SPATIAL MANAGEMENT SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Consolidation of a number of towns into clusters allows each town to consist of a sufficient threshold to support an appropriate level of facilities in a node, to service its immediate population and achieve sustainability; 2. Each town "cluster" integrates and consolidates a "coastal" town and an "inland" town; 3. Linear development links the towns to each other so that all residents are within walking distance of a major road and public transportation; 4. The major linear system is along the R102 that connects the various nuclei to each other, i.e. the commercial nodes and the employment (industrial) nodes; 5. Major (commercial) nodes are located at approximately 5km distance apart so that all residents are within 2.5 km of a major node and the facilities provided; 6. There is an implicit Urban Growth Boundary (UGB) that will manage and constrain development to support the underlying concept. 	<ol style="list-style-type: none"> 1. The major nodes of Ballito and KwaDukuza Town, as well as uMhlali, are not clearly identified as nodes; 2. The remaining nodes are demarcated, although the form/ size / role that they take is not clear; 3. The area west of Compensation is located some distance away from the transport corridor; 4. A cluster of development around a small node west of uMhlali is located around a future intersection, but does not have a substantial threshold of support; 5. The areas identified for potential densification include areas of existing residential development; industrial development; areas on both sides of the railway line; and implies significant redevelopment which may not be appropriate in some areas. 6. It is not clear whether topographic features have been used as criteria for locating some forms of densification. 7. The spatial location of existing social/ administrative facilities (police stations, health facilities, administrative facilities, education, etc.); and their relationship to existing concentrations of population are not explicitly detailed; and 8. In some cases, areas identified for industrial development have been identified across existing residential development.
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. The municipality is located between 2 of South Africa's biggest ports; 2. The close proximity of the planned new airport (King Shaka International Airport) and the related Dube Trade Port presents significant development opportunities; 3. The potential for tapping into the growing tourism industry, driving tourism growth through access to international flights and accommodating increased passenger demand; 4. The potential for tapping into the increasing growth and sophistication of the Global Logistics market, creating air freight logistical efficiencies and stimulating growth in competitiveness in global supply chains; 5. Supporting high value manufacturing, value added logistics 	<ol style="list-style-type: none"> 1. Climate change. 2. Inadequate and aging infrastructure. 3. Environmental degradation i.e. biodiversity loss and loss of conservation value.

and export perishables production with ICT support and coordinated government services in one place;	
6. Attracting a wide range of investors, operators, users and tenants, with world class facilities;	
7. Socio-economic benefits for KwaDukuza could include growing employment, increasing empowerment, alleviating poverty and providing broad access to infrastructure.	
8. Ballito and environs, is likely to gain added development impetus as an established high income residential area with high end services, industrial areas, etc.	

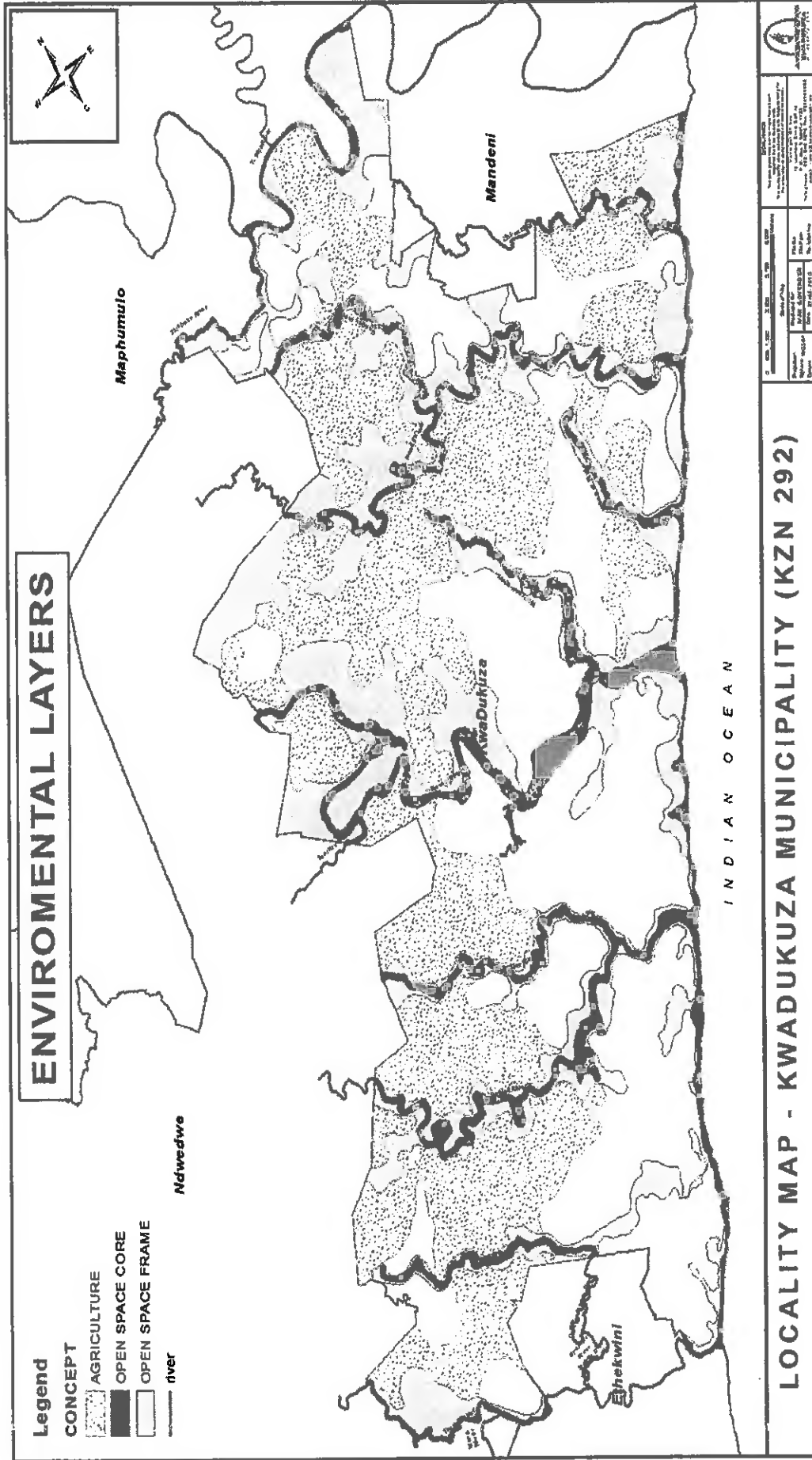
TABLE 5 - SPATIAL MANAGEMENT SWOT ANALYSIS

C 2.2: ENVIRONMENTAL ANALYSIS

2.2.1. ENVIRONMENTAL ANALYSIS

KwaDukuza Municipality has experienced changes in its natural environment over the year; this is due to economic development that led to the change in land cover from coastal dune grassland and lowland forest to being largely dominated by sugar cane cultivation. Habitat destruction, degradation, illegal activities and pollution has negatively impacted on the natural environment, untransformed land is identified as, 'These patches represent either suitable available habitat of an important species, a threatened vegetation type in itself or an area offering important ecosystem services' (2013). The KwaDukuza Municipality Biodiversity Open Space Management Plan seeks to identify, map and classify untransformed land in the municipality on a fine scale.

The region is characterized by a range of topographic and water based systems. The major river systems have defined a series for the region as a whole, and have played a key role in influencing patterns of settlement and development, primarily through their influence on movement infrastructure. These systems, and the related topographic features have contributed to the configuration of growth and development within the region, and have influenced the emergence of the pattern of settlement, in the form of spaced concentrations of activity clusters along the coastal edge, drawing on the scenic and environmental value, as well as along the inland axis, where the movement infrastructure has influenced the location and intensity of activity nodes.



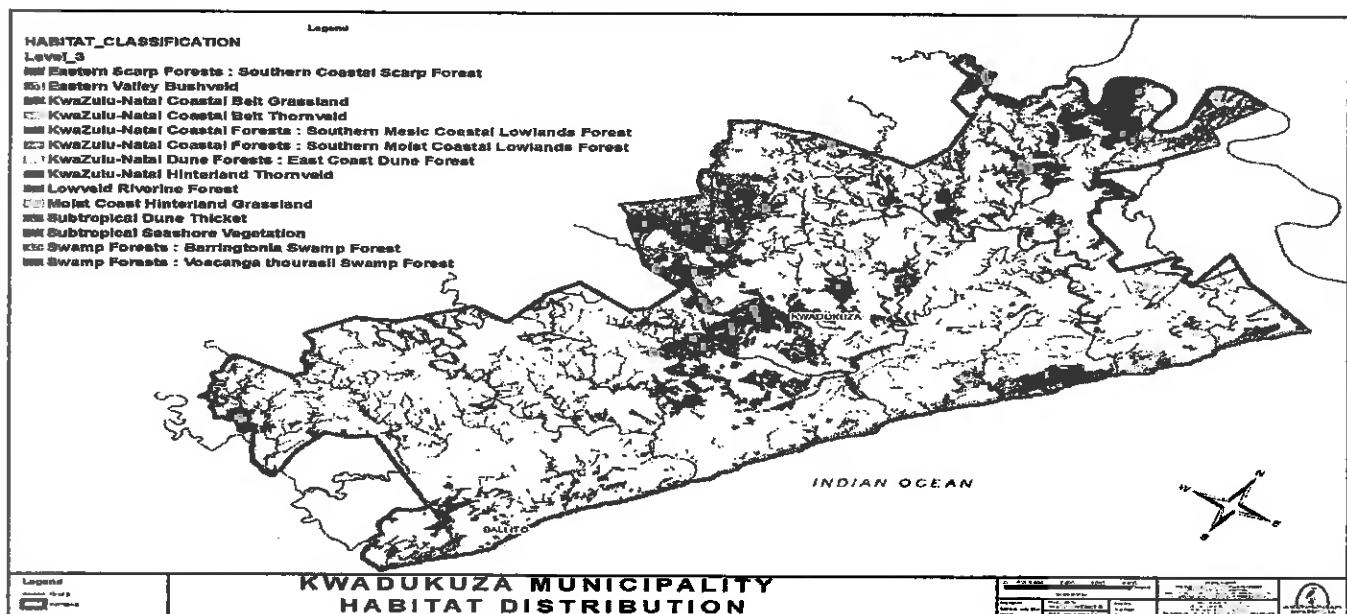
Map 5 - environmental layers

2.2.1.1 HABITATS

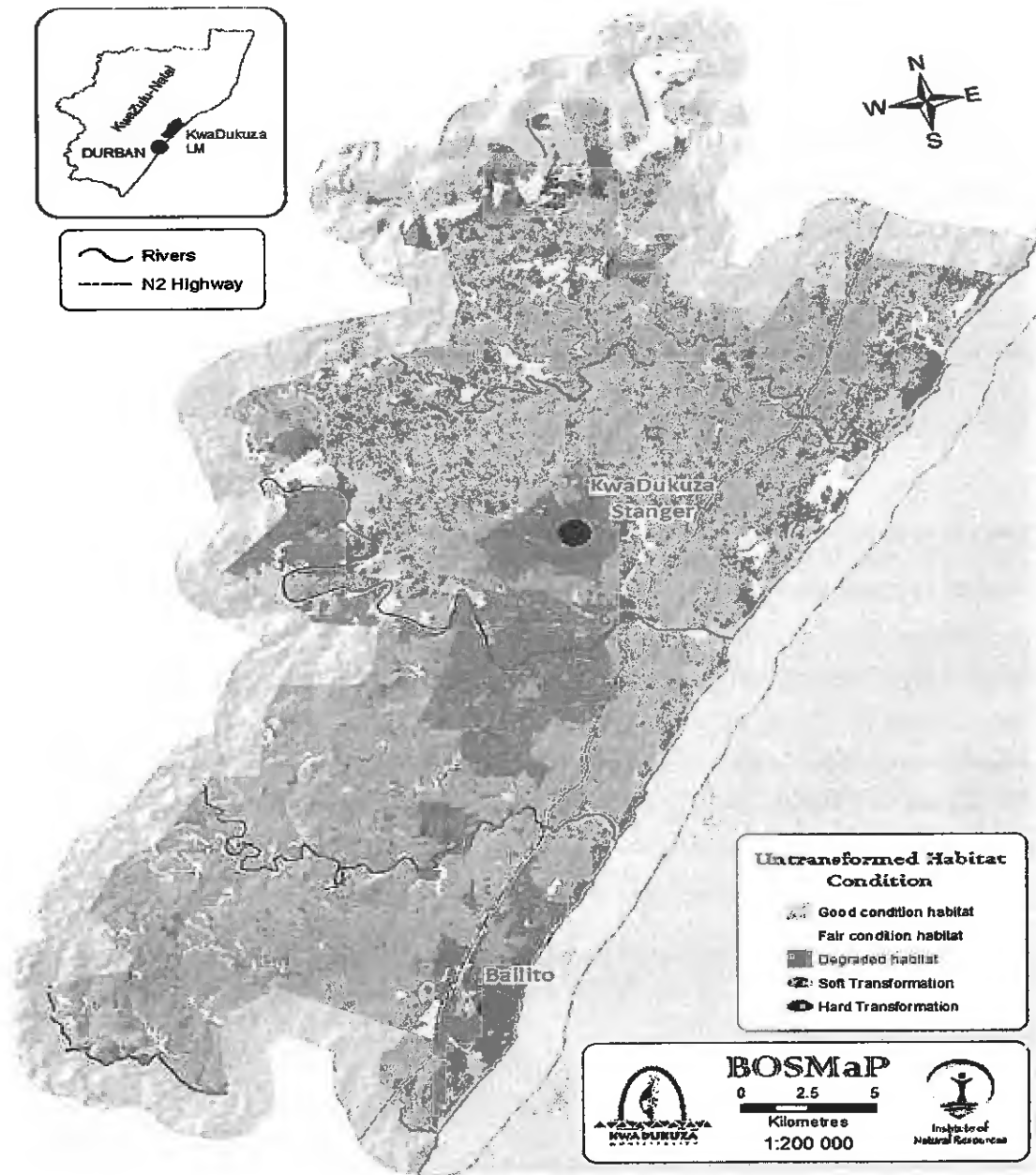
KwaDukuza municipality has a total of 73 497.2 Ha, of which only 17 949.6 is untransformed (24.4%). The level of transformation by cultivation has left great concern on the municipality to conserve what remnant habitats that may remain the municipal area (BosMap 2013). In its pre- development/ transformation stages KwaDukuza typical land covers and features would have included a mosaic of large areas of coastal belt grassland, interrupted by forest patches (particularly on the south facing slopes), wetlands and riverine vegetation. Larger, more contiguous forest patches would have occurred towards the coast, with a large dune and coastal lowland forest belt running along the immediate coastline, interrupted by grasslands and estuaries and their associated wetland vegetation.

Transformation in the municipal area has resulted in major habitat loss and in order to attempt to conserve the remaining habitats and improve biodiversity in the region, known habitats in the region were identified and special features of similar character were used to define habitats in KwaDukuza with importance in terms of biodiversity and high conservation value. With natural vegetation being converted to other land uses at a high rate, the protection and efficient use of habitats is vital to avoid further irreversible degradation to the municipality's biodiversity. The BOSMAP identifies priority areas, it is crucial to use maps of biodiversity priority areas to guide decisions about planned developments.

Vegetation types and distribution that form specific habitats in KwaDukuza are mapped below as identified by KwaDukuza Biodiversity and Open Space Management Plan (BosMap) are as follows:



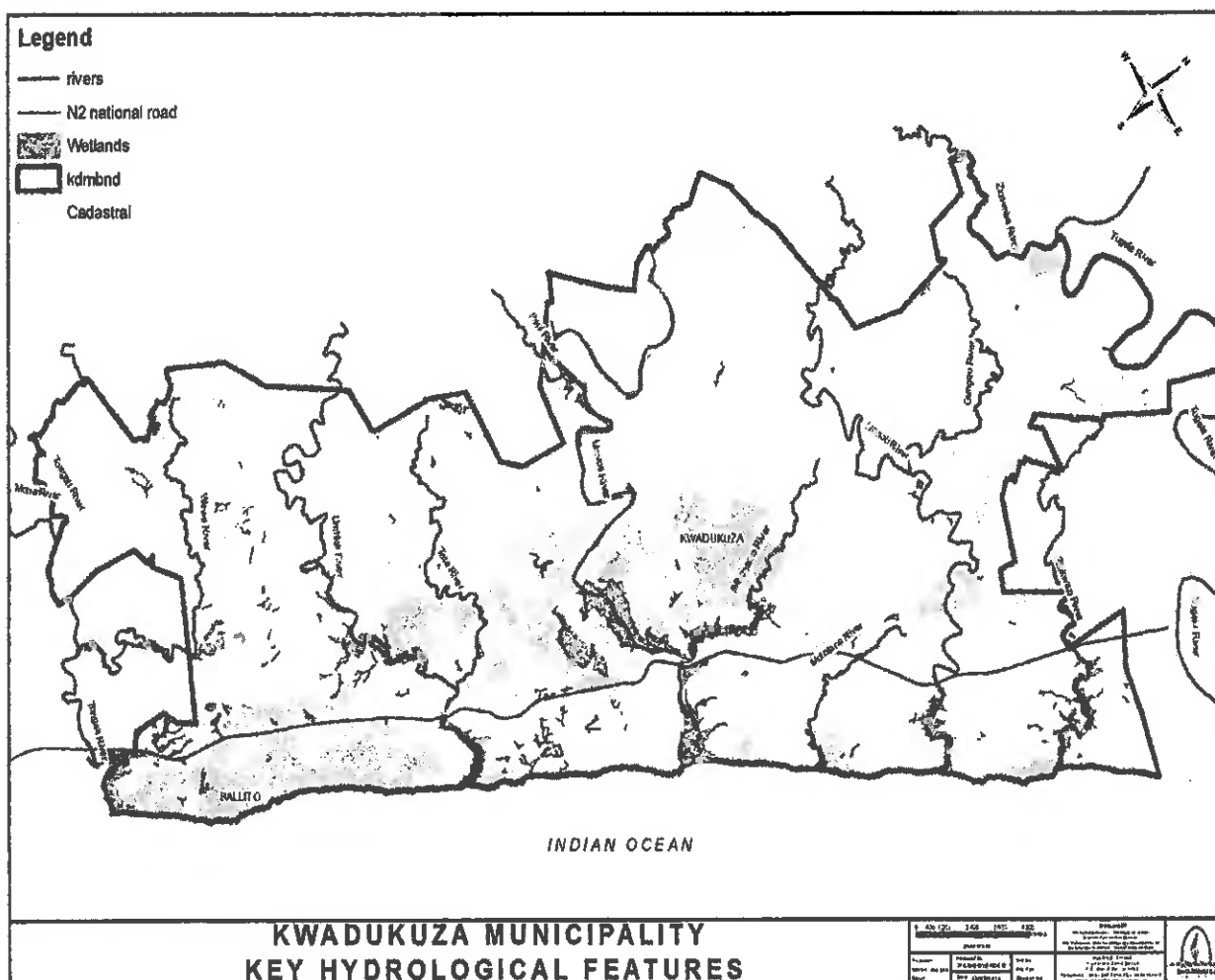
MAP 6 - KDM HABITAT DISTRIBUTION



2.2.2. KEY HYDROLOGICAL FEATURES

2.2.2.1. RIVERS

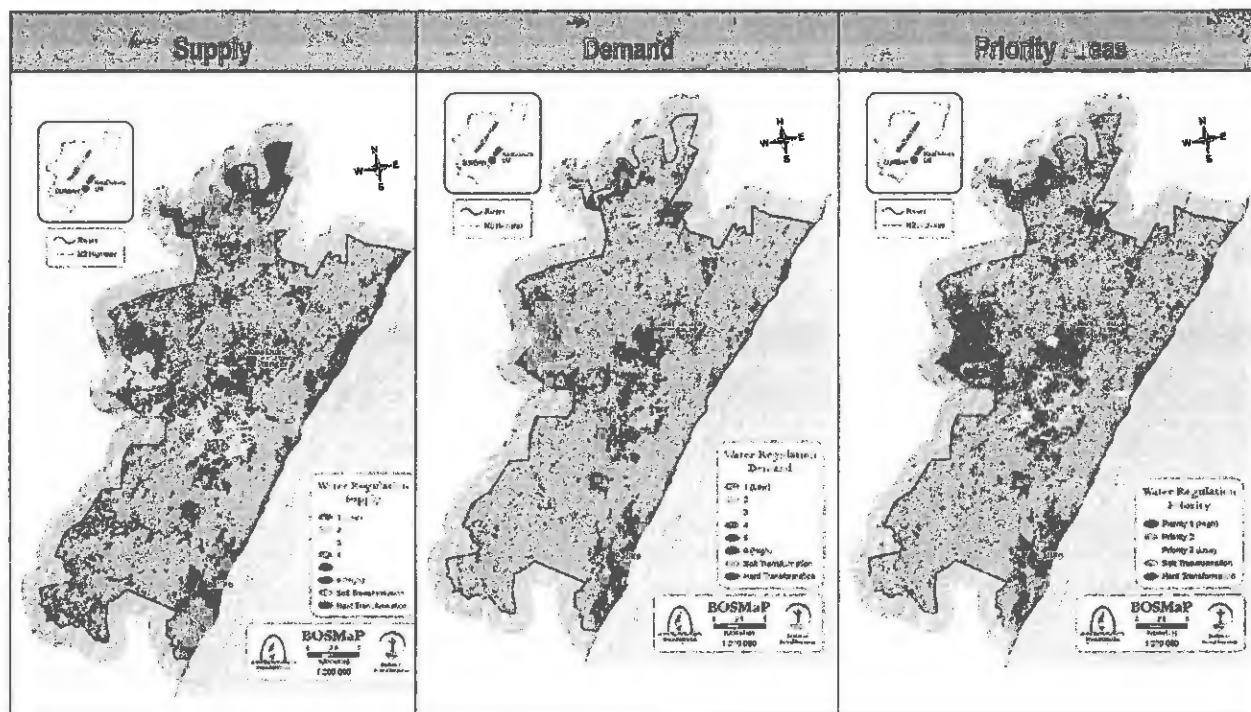
Several rivers flow through the area in a west-east direction into the Indian Ocean, these include, from the south to the north, the Tongati, the Mhlali, the Mvoti, the Nonoti, Zinkwazi which are quaternary catchments and on the northern boundary the Tugela (uThukela) which is the largest river in KwaZulu Natal. Major rivers and inter catchment linkages are highlighted showing connectivity in the KwaDukuza Biodiversity and Open Space Management Plan (BosMap), thus improving biodiversity planning in the area (view map below).



MAP 7 - KEY HYDROLOGICAL FEATURES

Major rivers in KwaDukuza are moderately modified by high impact activities occurring along them and within them and as a result have been assigned the status of 'vulnerable' in terms of the National Spatial Biodiversity Assessment. Other challenges within KwaDukuza Rivers include, pollution, modification of watercourses by development, especially urban development, reduction in stream flow and invasion of riparian areas by invasive alien vegetation.

The BosMap also provided the municipality with a water services assessment in terms of water supply (the actual features which supply water – rivers etc) and water regulation (the regulation of supply by the storage of water by features in the catchment – the sponge effect). By assessing both supplies over demand, KwaDukuza is able to focus on certain areas within the municipal area which must be prioritized for their ability to supply water in the area.



2.2.2.2. WETLANDS

Wetlands are a vital component of the water resources system of the catchments which occur in KwaDukuza and fulfill a vital role in the correct hydrological functioning of the drainage systems within by retaining water and contributing to perennial flows, controlling erosion, removing silt load and other potential pollutants from the hydrological system.

The biggest threat to wetlands in KwaDukuza is sugar cane cultivation as this affects wetland hydrology and functioning followed by fragmentation/ transformation due to developments and alien vegetation. As a mitigation factor the BosMap provided a strategic layer showing all major wetlands, their classification, connectivity, functional level and ecosystem service provided. The BosMap is a living document to be updated regularly as new detailed data becomes available e.g. new wetlands identified through of Environmental Impact Assessments.

2.2.3. KWADUKUZA COASTAL AREA

The coastal area of KwaDukuza contributes an enormous amount of tangible and intangible benefits to residents and visitors. These benefits cannot be measured in purely economic terms, and the protection, conservation and continued ecological function of the KwaDukuza coastal environment is an asset to the municipality and the country beyond measure. It is thus critically important that the natural functioning of the KwaDukuza coastal system is allowed to continue with minimum anthropogenic interference and that its coastal environmental assets are preserved and protected at all

costs. The coastline of KwaDukuza comprise of sandy beaches, dune forests and rocky headlands. The demand for sandy beaches and the pressure to provide space, adjacent to bathing beaches and other amenities, both for recreational activities and parking is growing. Degradation of the coastline has negative connotations to the tourism industry, which is considered crucial for economic development in KwaDukuza.

As prescribed in the Integrated Coastal Management Act, No 24 of 2008 (ICM Act) KwaDukuza Municipality became the first municipality in the country to comply with the requirements which were; the development of a Coastal Management Programme (CMP). The programme as a policy document has been adopted by council in 2011. The second phase of the CPM was the development of the Coastal Development Management Tool. This tool will act as a guide for the Municipality and for stakeholders to determine and implement certain coastal planning with specific zoning, associated land use, setback lines and development controls. This is awaiting adoption by KwaDukuza and the final leg of public/stakeholder engagements to have the document finally complete. It under this study that there is an immediate need to develop estuary management plans, identify potential coastal protected areas, ensure protection of coastal corridor and links to an open plan system and EKZNW systematic conservation plan as well as identifying ecosystem goods and services assessment.

2.2.3.1. ESTUARIES

Estuaries have been highlighted as perhaps the most important biodiversity and ecosystem service features in the municipality. It is imperative that the functional zone of all estuaries be protected, that estuaries be considered when any development threatens the quantity and quality of water reaching them and that a formal estuary management plan be developed to safeguard the functioning of these important features.

A detailed Estuarine Management Plan will be commissioned as required by the ICMA, KwaDukuza municipality is currently completing its second phase of the Coastal Management Plan due for close out in 2013. Currently, an estuarine management plan is being developed by the Zinkwazi Blythedale Conservancy for the Zinkwazi and Nonoti River estuaries. This project is a private initiative being managed in partnership by KwaDukuza Municipality.

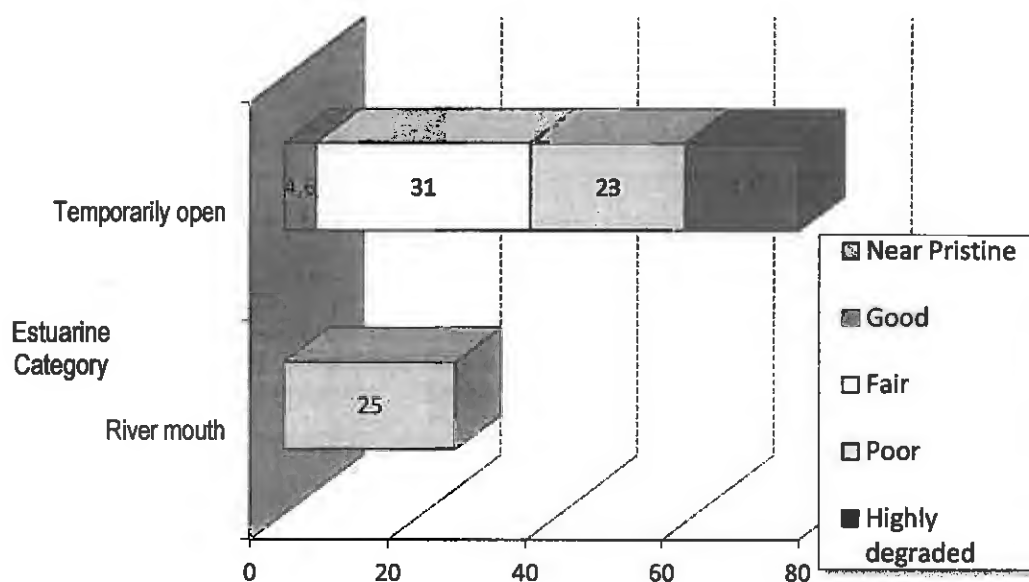
Table 6: Estuarine Category, DWA Reserve determination status Present Ecological Status (PES) and of estuaries within the KwaDukuza Municipality

Estuary	Category	Size	Estuary Area (ha)	% area	Catchment Area (ha)	DWA Reserve Determination level and date	Estuarine Management Plan	PES
uThongathi	Temporarily open estuary	M	155	17.5	40 864	Intermediate level RDM conducted 2007	N	

uMhlali	Temporarily open estuary	L	134	15.1	24 939	-	N	C
Bob's Stream	Temporarily open estuary	S	3	0.3	309	-	N	C
Seteni	Temporarily open estuary	S	5	0.6	787	-	N	C
uMvoti	River mouth	L	230	26.0	273 887	-	N	D
uMdlotane	Temporarily open estuary	S	3	0.4	3 368	-	N	B
Nonoti	Temporarily open estuary	M	145	16.4	17 531	-	N	C
Zinkwazi	Temporarily open estuary	L	211	23.8	7 790	-	N	C/D

TABLE 7 - ESTUARIES

This is in evidence with only one relatively small Mdlotane estuary (3 ha) being considered to currently exist in a B category (largely natural with few modifications) or Good condition. This only comprises 0.4% of the estuarine habitat within the municipal area. No estuaries could be rated in an A category or Excellent condition and no estuaries have any formal protection. Four of the systems Umhlali, Bob's stream, Seteni and Nonoti are currently sitting in a category C or Fair condition which contributes 31% of the total estuarine and a total area of 288ha. The remaining three are considered to be in poor to highly degraded condition i.e. Umvoti, uThongathi and Zinkwazi.



GRAPH 6: % ESTUARINE AREA

The percentage of estuarine area by estuarine category and health status within the KwaDukuza Municipality

2.2.4.. PROTECTIVE AREAS

While there are no formally protected areas in KwaDukuza, however, there is a privately owned Natural Heritage Site (SANHS 166), which encompasses the Umvoti Estuary. This area has been deemed an Important Birding Area (IBA, No. 73). The area is relatively large and is comprised of a number of habitats, namely, reed beds, grasslands, mudflats and coastal forest. This area has been identified by the Avian Demography Unit, from UCT as an area critical for conservation action. In addition to the wide variety of habitats this area is also home to the highly threatened and endangered Spotted Ground Thrush (*Zoothera guttata*).

2.2.4.1. CONSERVANCY AREAS

A number of conservancy areas exist within the KwaDukuza Local Municipality, namely the Addington Conservancy.

Natural areas occurring between Rodger Stewart and Prince's Grant Golf Estate.

Mbozambo wetland (created by Sappi)

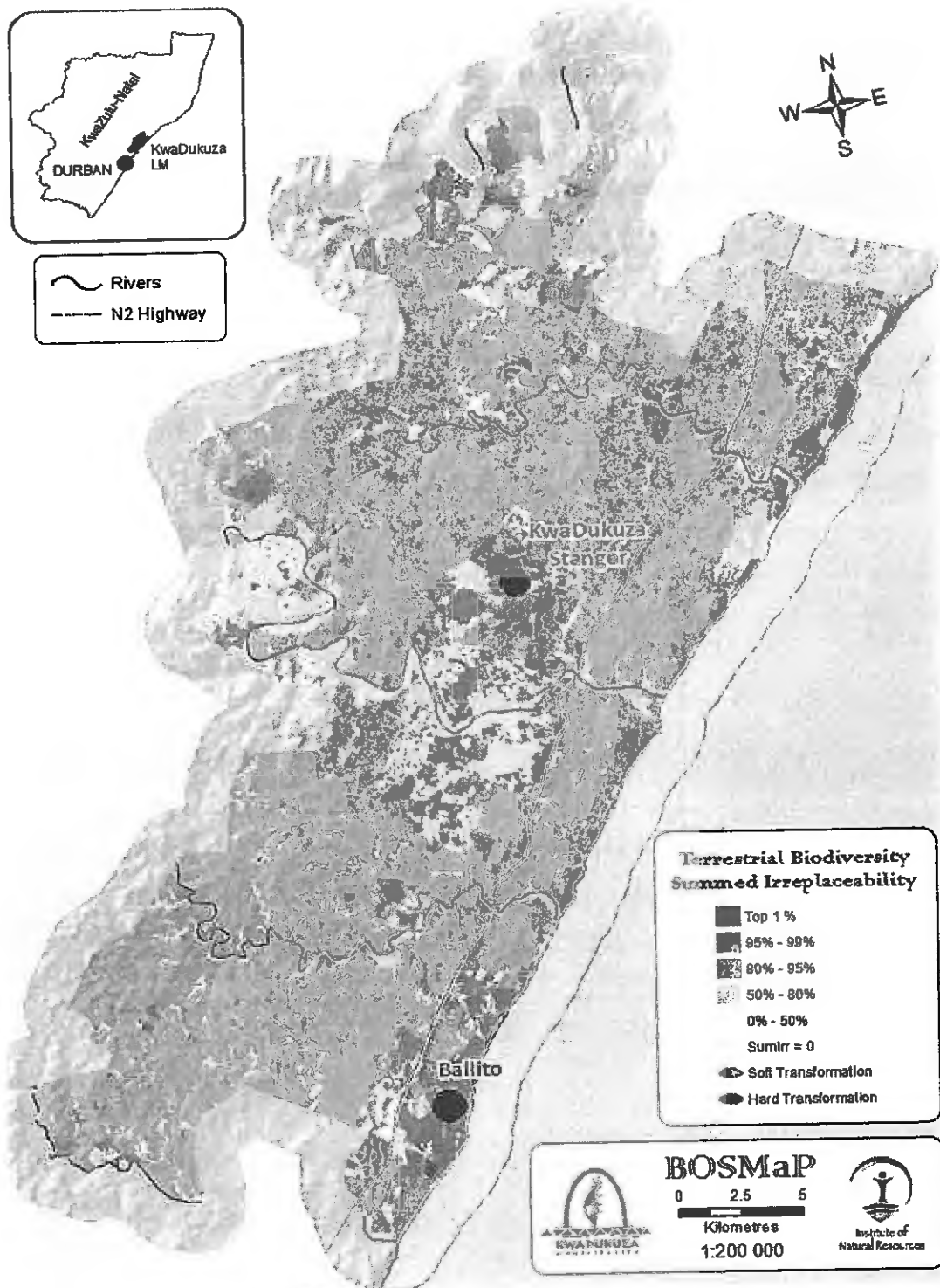
2.2.4.2. POTENTIAL AREAS OF CONSERVATION

Other areas showing the greatest potential for conservation are positioned to the north of Tinley Manor, as well as the rocky cliff habitat common to the areas between Thompson's bay and Salt Rock.

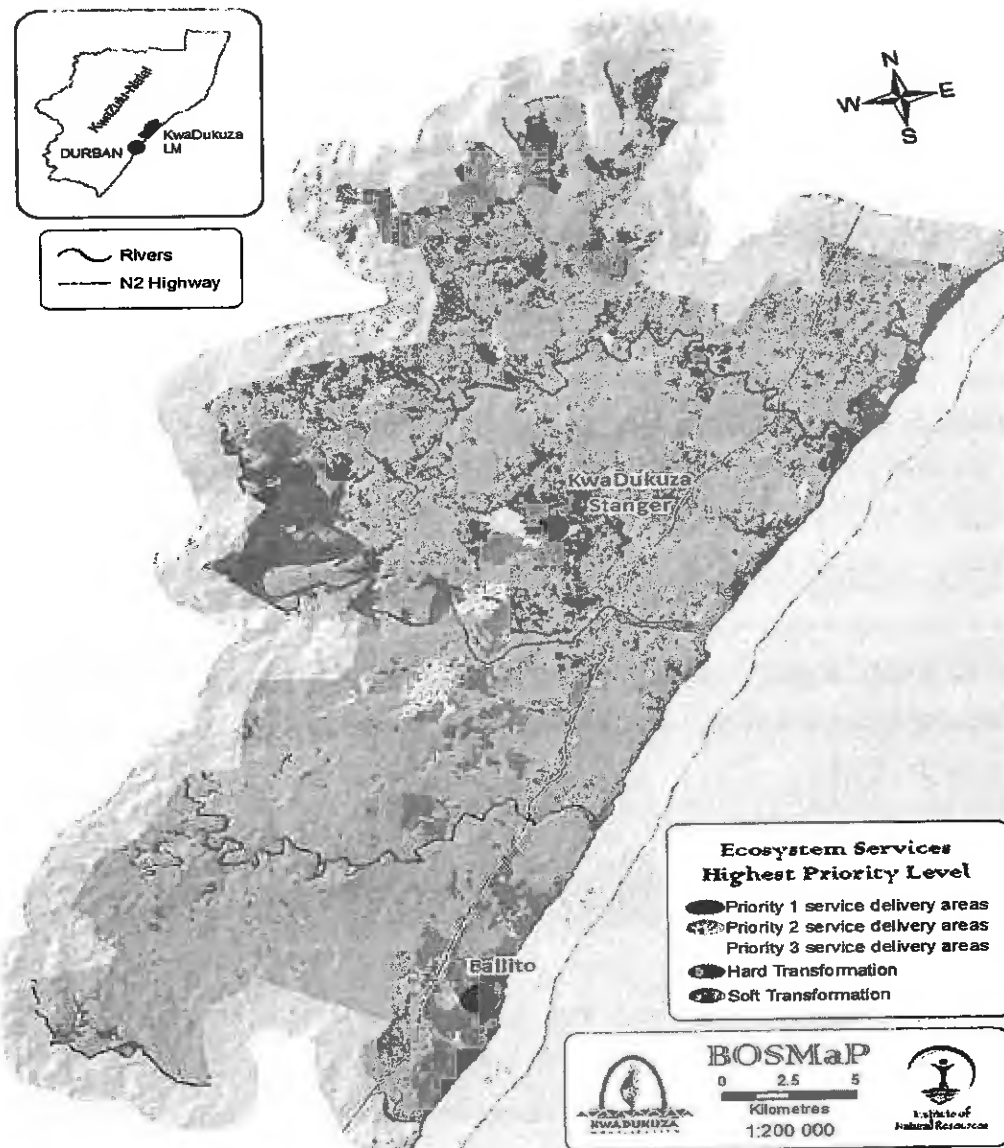
2.2.5. BIODIVERSITY

The natural biodiversity of KwaDukuza Municipality is strongly linked to two main vegetation biomes, namely the Forest Biome and the Indian Ocean Coastal Belt Biome. A range of alien species make up another component of the biodiversity of this area. These biomes are comprised of different vegetation types, differentiated by their typical botanical characteristics and structure. Within the matrix of vegetation types, a wide variety of species are encountered from plants through insects to birds and mammals. Each of these species forms an integral component of the biodiversity of the area. The biodiversity priority areas for the municipality were assessed by determining habitat patch irreplaceability ('importance') and the summed irreplaceability ('priority areas') of all patches through the use of C-Plan conservation planning software.

The outputs of this process are illustrated in Figure 6 (summed irreplaceability) and Figure 7 (ecosystem services) below:



MAP 9 - ECOSYSTEM SERVICES



2.2.6. CLIMATE CHANGE

Climate change continues to cause a number of challenges for KwaDukuza Municipality, linked to impacts such as increased temperatures, extreme weather conditions (flooding and drought), sea level rise and climate consistency.

Following from the 21st session of the UNFCCC Conference of Parties (COP21) outcome: Paris Agreement and the Compact of Mayors, local governments are recognized as essential actors in fast tracking transformative action in the urban world, hence KwaDukuza Municipality is one of the first local municipality in South African who have declared their intent to comply to the Compact of Mayors which serves as a re-affirmation of our commitment in the fight against climate

change. Moreover, to respond to climate challenges, KwaDukuza Municipality developed and adopted Climate Change Response Strategy in July 2013. The strategy incorporates Climate Change Adaptation and Mitigation responses around four themes: Natural system; Built system; Socio-Economic system; and Governance. Climate Change Adaptation could be defined as making sure that existing development, activities and services are able to cope with the environment that will result as the climate changes. Climate Change Mitigation refers to two specific aspects (decreasing usage & reducing intensity) that when embraced together can lead to growth while reducing emissions.

Within iLembe District, KwaDukuza Municipality is one of two coastal local municipalities and coastal vulnerability index findings indicated that KwaDukuza Municipality has many high risk areas (43%) such as KwaDukuza's coastline. This strategy continues to highlight climatic changes expected within KwaDukuza region through using the climate change scenario modelling assessment that considered impacts associated with five key climate variables (precipitation; potential evaporation; hydrological systems; agricultural systems; and human settlements) which are expected to change over time as a result of climate change. From present into the next 40 years or so, the projected increases in rainfall for the KwaDukuza area bode well from a water resources availability perspective and from that of potentially increased crop yields, especially in drier years and in the drier months. On the negative side are possible increases in flooding and sediment yield as well as inundation of agricultural lands adjacent to rivers. The monthly potential evaporation is predicted to increase by 8 to 12 % over the next 40 years and this increased evaporation is likely to impact water bodies which already see relatively high evaporative losses, sugarcane irrigators as they will have to purchase more water for their crops, and dry land (rain fed) farmers.

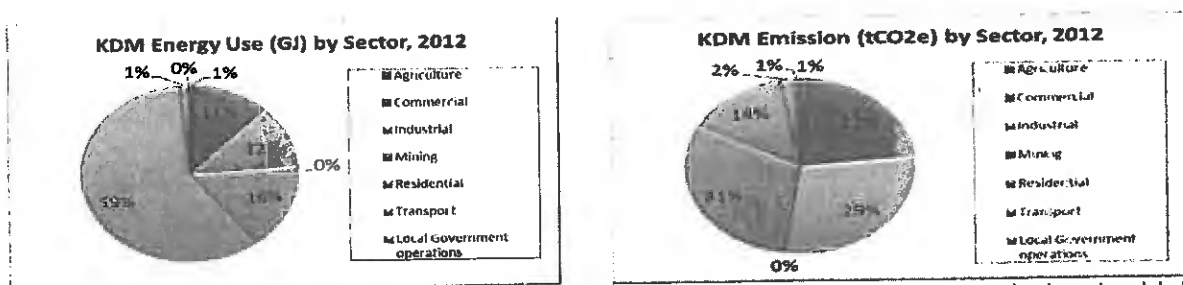
Projected general increases in hydrological responses maybe viewed as both positive and negative with projected increases in base flows being positive in dry years when water is most needed, but with also an increased risk of flooding being negative. Moreover, projected increases in sediments yields having multiple negative effects ranging from increased water purification costs to sediment polluted beaches keeping holiday makers away. A projected 50% increase in sugarcane yields as a result of the combination of projected increases in both temperature and rainfall, but an increase in temperature also coincides with an increase in reproduction of sugarcane pests which means that yields can potentially be threatened and therefore investment into alternative pest control would have to be considered. In KwaDukuza area the comfort of tourists especially during holiday seasons and the comfort of manual labourers in sugarcane industry during harvest season. Future projections indicate that there will be decreases in partially comfortable days in January (summer vacation), April (Easter vacation), and little change in comfortable/ uncomfortable into the future for July (winter vacation) and September (Michaelmas break).

Hence, KwaDukuza Municipality is building upon the CCRS for Mitigation Strategies and it has partnered with ICLEI Africa (2012 – 2015) as part of the global initiative of Promoting Urban Low Emissions Development Strategies (Urban LEDS) in emerging economy countries and integrates this into municipal planning and delivery. Urban LEDS defines a pathway to

transition a community to a low-emission, green and inclusive urban economy, through its integration into city development plans and processes.

Greenhouse Gas Inventory

The KwaDukuza Greenhouse Gas (GHG) Inventory was conducted in 2013 using energy data from the 2012 calendar year as the baseline for the study. The GHG inventory is compliant with the international accounting protocols, techniques and methodologies for Local Government Greenhouse Gas i.e. Emissions Analysis Protocol (IEAP) and the Global Protocol for Community-Scale Greenhouse Gas Emissions (GPC). The result of the GHG showed that demand-side energy consumption by sector, transport is by far the biggest energy user, but in terms of emissions- residential (has the highest emissions), commercial and industrial all have a relevant role to play as depicted in the pie chart below:



With the

Greenhouse Gas Inventory (2013) identifying transport sector as the biggest potential to GHG emissions, mechanisms to minimise greenhouse gas emissions and plan for improved energy efficient transport systems are being investigated.

2.2.6.1. ENERGY CONSUMPTION

The results from the Greenhouse Gas Inventory show that everyone in KwaDukuza Municipality makes a contribution and everyone has a responsibility to reduce their emissions. The carbon and energy intensity in KwaDukuza is similar to that of like-sized municipalities, with similar economic activities, and demographics. More detailed statistics on the energy use and carbon emissions can be found in the detailed Greenhouse Gas Inventory Report, with high-level summary statistics in the infographic.

2.2.6.2. EDUCATION AWARENESS

KwaDukuza Municipality celebrates all Environmental Calendar Days as a form of education and awareness with schools and the community by conducting educational tours, educational talks, competitions and excursions. It supports Eco-schools and Schools Environmental Education Programme (SEEP) in partnership with the Department of Economic Development, Tourism and Environmental Affairs. Workshops for educators are conducted to capacitate them on their action plans when it comes to implementing environmental programmes in the schools. KwaDukuza Municipality has a fully functional Environmental Ward Forum which consists of 27 ward committee members each representing the 27 wards within the municipality. The Environmental Ward Forum convenes once a month to deal with current environmental community challenges.

2.2.6.3. PARTNERSHIPS

The KwaDukuza Municipality has established a successful partnership with ICLEI Africa as part of the global local municipalities who are parts of the Urban LEDS project. The municipality joined ICLEI Africa as a full member for a period of 3 years commencing in August 2013.

2.2.6.4. STRATEGIC ENVIRONMENT ASSESSMENT

Urban expansion and development is a requirement for the improvement of human standard of living and the economy however this can be achieved in a sustainable manner if it is based on appropriate consideration of coastal and biodiversity resources. The ILembe Environmental Management Framework and KDM BosMap have identified wetlands and watercourses in support of fauna and ground water recharge as well as corridors of important biodiversity and species migration. Estuaries are dynamic environments and prior inappropriate and inadequate town planning around the estuary and 100m of the high water marks and have caused fragmentation of the natural areas. BosMap identified natural corridors for biodiversity and connectivity of natural areas. Invasive Alien Species are threat to hydrological and terrestrial ecosystems.

2.2.7. SPATIAL AND ENVIRONMENT TRENDS AND ANALYSIS

After the completion of the SEA in 2008 there has been further development of policies such as the draft Coastal Management Plan (2011) and the BosMap (2013). Through the proactive nature and current climate change pressure the municipality developed a Climate Change Response Strategy in which currently the Municipality in partnership with ICLEI has identified their sources of GHG in the economy. The development of the Estuary Management Plan for the Nonoti and the Zinkwazi River of which the final product will be the policy of the municipality which expands the municipality's natural corridors and protection zones.

2.2.8. ENVIRONMENTAL SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<p>"Green" wedges separate the towns and maintain environmental integrity.</p> <p>BosMap, CCRS, EMF, draft CMP and GHG Inventory for the management of environmental assets</p> <p>Cooperative governance between spheres of government</p> <p>Environmental plans/programmes are mainstreamed into the spatial planning tools such as the SDF</p>	<p>The schematic edges of potential future development do not appear to be well aligned with existing development areas or with river/ flood line/ service catchment demarcations.</p> <p>Inadequate financial resources to speedily implement recommendations of environmental sector plans</p> <p>Few remaining natural areas.</p>

OPPORTUNITIES	THREATS
<p>Urban Low Emission Development Strategy.</p> <p>Preserve sense of place.</p> <p>Stable Climate.</p> <p>Unexploited heritage market.</p> <p>Increase the number of protected areas.</p>	<p>Climate change.</p> <p>Biodiversity loss.</p> <p>Loss of natural assets such as coastal dunes, natural grassland and sugar cane, to development.</p> <p>Habitat and vegetation destruction;</p> <p>Development pressures may promote environmental degradation if not properly facilitated.</p> <p>Climate Change</p> <p>Wetlands Degradation</p> <p>Invasive Alien Species</p> <p>Biodiversity loss</p> <p>Loss of dunes and coastal forests</p> <p>Developments in coastal ribbon threatening high agricultural potential land.</p>

TABLE 8 - ENVIRONMENTAL SWOT ANALYSIS

Sector Plan	Completed (Y/N)	Adopted (Y/N)	Status Quo
KwaDukuza Municipality Strategic Environmental Assessment (SEA)	Yes	Yes 2008	KwaDukuza Municipality identified the need for an SEA in order to assess the environmental implications of the KwaDukuza IDP, to determine the ability of the environment to sustain the development currently taking place in the Municipality and to identify the environmental opportunities and constraints within the Municipality. It is a tool used at a strategic planning phase where other tools such as the Environmental Impact Assessments are employed by KwaDukuza to manage project specific issues forming a foundation layer for strategic planning.
Coastal Management Plan (CMP)	Yes	Yes 2011	As prescribed in the Integrated Coastal Management Act, No 24 of 2008 (ICM Act) KwaDukuza Municipality became the first municipality in the country to comply with the requirements which were; the development and adoption of a Coastal Management Programme (CMP). The second phase of the CPM was the development of the Coastal Development Management Tool. This tool will act as a guide for the Municipality and for stakeholders to determine and implement certain coastal planning with specific zoning, associated land use, setback lines and development controls, the inclusion of the Development Management Tool has acknowledge the change in the NEMA Environmental Impact Assessment 2014 regulations but has also allowed leverage for future amendments. This is awaiting adoption by KwaDukuza and the final leg of public/stakeholder engagements to have the document finally complete
KwaDukuza Climate Change Response	Yes	Yes 2013	In line with Climate Change COP17 conference held in Durban in 2011, KwaDukuza Municipality undertook to make its commitment in fighting the impacts of climate change bearing in mind that as a

Change (CCRS)			growing municipality under immense development pressure; KwaDukuza must aim at creating a climate-resilient and low-carbon economy and society by building resilience to the effects of climate change through the reduction of greenhouse gases.
The Urban Low Emissions Development Strategic Framework and Action Plan (Urban LEDS)	Yes	Yes 2015	The Urban Low Emissions Development Strategy (Urban LEDS) builds from the CCRS strengthening it with strategic vision statement linked with the IDP. The main objective of the Urban LEDS is to enhance the transition to low-emission urban development in municipalities in emerging economy countries. Progress thus far: KwaDukuza Low Emissions Development Strategic Framework and Action Plan has been completed and was adopted in 2015. The action Plan will feed into the municipal IDP, SDBIP, and Departmental performance management system. The Urban LEDS was fully funded by European Union through ICLEI Africa.
KwaDukuza Biodiversity and Open Space Management Plan (BosMap)	Yes	Yes 2013	The plan is done by identifying, mapping and classifying untransformed land in the municipality at a fine scale. This plan is an element of the Municipality's IDP and located at a level between the SDF and LUMS. The plan assists the municipality in classifying and managing areas important for biodiversity conservation and provision of ecosystem services. This plan is a decision making tool that informs the decisions regarding development and conservation in KwaDukuza Municipality.
KwaDukuza Greenhouse Gas Inventory	Yes	Yes	Greenhouse Gas (GHG) Inventory 2012 which is an accounting of greenhouse gases emitted to and removed from the atmosphere. The KwaDukuza GHG Inventory is compliant with the international accounting protocols, techniques and methodologies of both International Local Government Greenhouse Gas Emissions Analysis Protocol (IEAP) version 1.0 and the Global Protocol for Community-Scale Greenhouse Gas Emissions (GPC). KwaDukuza Municipality is in the process of reviewing their GHG Inventory using the base year 2014 data.
Greenbuilding Guidelines for KwaDukuza	Yes	Yes 2015	The aim of this document is to provide an easy to use reference document for the municipality and building professionals and users. It is not intended to be exhaustive, but rather address the key issues generating the most widespread benefits in terms of operating costs, user amenity and the environment. Ultimately, this set of Green Building Guidelines is one of the tools needed and available to achieve better buildings and better spaces for people to live, work and play- to restore and enhance our environment, our people and our economy.
KwaDukuza Municipality Draft Environmental Policy	Yes	No	The Environmental Policy, is a statement of intent towards KwaDukuza Municipality's objectives regarding its environment, it form the basis for sectorial policies, strategies and programmes to ensure that the principles of sustainability are adhered to and a community-ecosystems-based-adaption (CEBA) approach be followed under which humans and nature can co-exist for the benefit of present and future generations.
Estuary Management Plans (EMP)	No	No	EMPs have commenced for the Nonoti and Zinkwazi Estuaries early 2014 of which both are still at the assessment stage. They are funded through the public private partnership between the

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			municipality and the Zinkwazi Blythdale Conservancy.
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C 2.3.: DISASTER MANAGEMENT ANALYSIS

2.3.1. MUNICIPAL INTEGRATED INSTITUTIONAL CAPACITY

The Disaster Management Unit presently falls within the Municipal Services Department. There are incumbents who are holding the posts of Manager (Acting) and Disaster Management Officer. This Department reports to the Municipal Services Portfolio Committee.

The Disaster Management Unit of the Municipality deals with both pro-active and reactive disaster management issues and encompasses more than the department which is responsible for the function. Other structures within the municipality that support the function of Disaster Management Unit are:

- Municipal Disaster Management Advisory Forum
- Disaster Management Executive Committee
- Interdepartmental Disaster Management Committee
- Departmental and local municipality planning groups
- Preparedness planning groups
- Joint response & relief management teams
- Recovery & rehabilitation project teams
- KwaDukuza Joint Operations Centre (JOC)

2.3.2. RISK ASSESSMENT

KwaDukuza is susceptible to disasters and it has experienced a number of disastrous situations in recent years. The fact that the number of shacks is increasing in the area, means that KwaDukuza will always experience these types of disasters, especially fires and flooding. The other factor that makes things worse, are the RDP houses that are built in wetland areas, for example Groutville Priority areas 1 and 5 and other settlements are situated in water catchment areas.

The following disaster hazards were identified during a risk assessment process conducted throughout the KwaDukuza Local Municipality during 2015. The following priority disaster risks were identified for the KwaDukuza Local Municipality

Consolidated list of hazards 2015 according to priority
Strong Wind
Drought
Fires
Lightning

2.3.3. DISASTER RISK REDUCTION

After analysis of the likelihood, severity, vulnerability and the capacity to cope with the various hazard events the project team identified that risk reduction and preparedness, projects and plans need to be developed for all hazards identified. Updated information has also been reviewed as well as GIS maps drafted to illustrate the locations of vulnerable communities. The GIS maps that have been prepared provide more insight into the location of hazards within KwaDukuza. Such maps help to identify which vulnerable communities are most at risk to which hazard i.e. proximity to potential hazards like rivers/ water sources, which could increase vulnerability to floods, waterborne diseases and water pollution.

Below are the prevention and mitigation programmes /projects identified by KwaDukuza Municipality:

Risk	Risk Mitigation /Reduction Programme
Strong winds	<ul style="list-style-type: none"> • Develop severe weather early warning systems • Focus on indigenous knowledge • Implement storm measures such as wind breaks in high risk areas
Drought	<ul style="list-style-type: none"> • Develop a Drought Management Plan • Awareness campaigns to educate communities on ways to reduce the impacts of drought and to save water • Immunisation of animals • Develop severe weather early warning systems - Monitor dam and river levels as well as water usage • Repair and maintain leaking infrastructure e.g. standpipes

Lightning

- Develop severe weather early warning systems
- Install Lightning conductors
- Focus on indigenous knowledge
- Awareness campaigns to educate communities on ways to reduce the impacts of lightning

The risk reduction programmes and projects must be budgeted for in terms of the operating and capital budgets of the municipality. Where the proposed project falls outside the mandate of the municipality, the municipality must establish a lobbying and monitoring mechanism to motivate the need for the project in the correct governmental or societal sector and to track progress on the project. Other projects may be executed on a partnership level.

2.3.4. RESPONSE AND RECOVERY

KwaDukuza responds to incidents of disaster such as fires, heavy rains, strong winds lightning etc. on a regular basis. With the assistance of the iLembe District Disaster Management Centre KwaDukuza Municipality provides emergency relief items such as food parcels, blankets, tents and plastic sheeting to poor affected households. It also refers destitute families affected by disasters to the Department of Social Development which hands out vouchers to such families. When the electricity box is damaged, KDM's Disaster Management Unit requests the Electricity Department to replace the box at no cost to the consumer in cases where the family cannot afford to pay

During response and recovery operations the relevant disaster preparedness plans of the municipality are executed by the disaster management structures.

2.3.5. TRAINING AND AWARENESS

Risk Reduction awareness campaigns are conducted in schools and communities in partnership with the iLembe District Disaster Management Centre and KwaDukuza Fire and Rescue Services. Pamphlets and other information leaflets are handed out in community gatherings.

2.3.6. FUNDING ARRANGEMENTS

KwaDukuza Municipality's Disaster Management Unit makes use of the internal operating and capital budget to fund its operations.

2.3.7. DISASTER MANAGEMENT SWOT ANALYSIS

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Strong support from political office-bearers, senior Management, sister departments and iLembe District Disaster Management Centre. • Disaster Management Advisory Forum • Inter-Departmental Disaster Management Committee 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Inadequate budget • Lack of storage space for storing relief items • Lack of well-equipped office space
<p>OPPORTUNITIES</p> <p>Strong political will-power.</p>	<p>THREATS</p> <p>Lack of contingency plans in the case of a major disaster.</p>

TABLE 9 - DISASTER MANGEMENT SWOT ANALYSIS

C3. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT ANALYSIS

3.1. MUNICIPAL TRANSFORMATION

The aim of KwaDukuza Municipality's institutional development transformation programme is to change the institutional arrangements, processes, managerial practices, corporate culture and in developing a renewed cadre of local government. The ultimate aim of all this is to improve organizational performance and to enhance service delivery. For this strategy to be successfully implemented, KwaDukuza Municipality shall place more emphasis and focus on the following:

- Conducting of the work study in order to align staff competency to suitable positions with an aim of creating a situation whereby there is a maximum productivity by all workers.
- Gearing KwaDukuza Municipality to a high performance culture.
- Measuring improvement in staff productivity and service delivery.
- Investigating alternative service delivery mechanisms.
- To investigate ways to bolster, improve and increase levels of staff morale
- Identifying areas of intervention that will have the greatest impact on staff loyalty and productivity, areas that shall be then addressed or implemented across the organization.
- Cascading of individual performance management systems to the level of supervisors, izinduna, foreladies and foremen.
- Dealing head on with staff discipline, low worker turn out etc.
- Implementation and measuring of employee assistance programme across the organization.
- Introducing and enhancing monitoring and evaluation mechanisms for the entire organization.

3.1.1. HUMAN RESOURCE STRATEGY

Human Resource Strategy of KwaDukuza Municipality aligns with the iLembe Family Human Resources Strategy that was approved in August 2015. It also provides focuses on addressing the shortcomings in terms of the SALGA Maturity Level Outcomes. KwaDukuza Municipality achieved a maturity rating of level (0) for the entire Human Resource Management function which is an entry level and ad hoc performance. The strategic goal and objective of the KwaDukuza Human Resources Management and Development Strategy is to build and strengthen the administrative and institutional capability of the municipality by implementing the hereunder listed goals:

- To promote and enhance our competitive total rewards package to recruit and retain top talent.
- To support the talent development of our employees through professional development, career development, and improved performance management.
- To promote the achievement of work life balance and wellness in KDM employees.
- To deliver services, programmes, and communications which are highly valued by our prospective employees, current employees, and retirees.
- To foster a diverse and inclusive municipality with a positive work environment.
- To compete for top talent with effective recruitment strategies and efficient recruitment processes.

3.2. ORGANIZATIONAL DEVELOPMENT

3.2.1. INSTITUTIONAL ARRANGEMENT

After the 2011 Local Government Elections, KwaDukuza Municipality's wards were increased from 20 to 27 wards while councilors increased from 37 seven to 53. KwaDukuza Council meets on a monthly basis while the EXCO meets twice a month. Members of the public and media are also encouraged to attend some Council meetings. KwaDukuza Council's Portfolio Committees set policies and guidance towards the implementation of all KwaDukuza Council delivery.

These portfolio committees are structured as per the national guidelines. Each Portfolio Committee meets once per month. Their core function is to look at specific issues that relate to each portfolio committee, research those issues and find all the necessary facts before these issues are discussed by Councilors that sit in each of the portfolio committees. The portfolio committees deliberate issues and then make recommendations to EXCO and the full Council, for the latter to take decisions. The five portfolio committees, as gazetted, are as follows:

Local Public Administration and Human Resource Portfolio Committee;

Economic Development, Planning, Community Development and Housing Portfolio Committee;

Amenities and Safety,

Finance Portfolio Committee

Infrastructure and Technical Portfolio Committee

KwaDukuza's Governance Framework is as depicted in the diagram below.

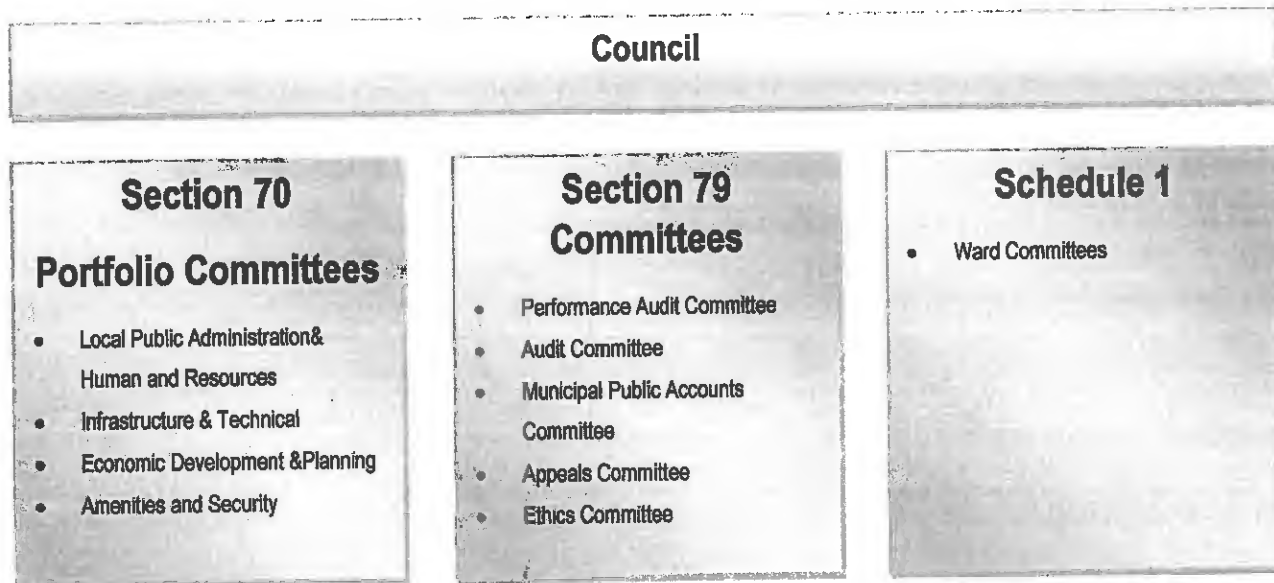


FIGURE 5 - KDM GOVERNANCE FRAMEWORK

3.2.2. COUNCIL SITTINGS

The Council of KwaDukuza Municipality consists of 54 Councillors, 27 of whom were directly elected to serve on the Council. Membership of the Council is made up of:-

- a) 40 African National Congress Councillors;
- b) 4 Inkatha Freedom Party Councillors;
- c) 8 Democratic Alliance Councillors; and
- d) 2 National Freedom Party Councillors

To ensure compliance with the legislative requirement the Council meets at least quarterly. However, in order to meet compliance requirements in relation to such issues as Budget approvals, mid-term Budget Reviews, Adjustments Budgets, IDP Reviews, Annual Report and Annual Report Oversight reviews, the Council effectively meets almost once every month. In order to optimise efficiency of operation the Council has reserved to itself decision making powers on certain critical and strategic matters - such as considering the results of the provincial government's monitoring of the Municipality, deciding whether to provide security for any of the Municipality's debt obligations and deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure. It has otherwise delegated to its Executive Committee power to exercise all powers of the Council in respect of matters not specifically excluded from delegation in terms of Section 160 (2) of the Constitution and Section 59 of the Systems Act.

In order to facilitate maximum participation by Councillors in the decision making processes of the Council and its Committees, all Councillors are provided with copies of the agenda and minutes of all meetings of the Council, its Executive Committee, its Portfolio Committees and its Sub-Committees and Task Teams.

3.2.3. EXECUTIVE COMMITTEE

KwaDukuza Municipality has established an Executive Committee consisting of 10 Councillors. Although the manner in which the composition of the Executive Committees should be determined is not prescribed by legislation, when establishing the Executive Committee the Council was mindful of the provisions of Section 160(8) of the Constitution of the Republic of South Africa, which requires that:-

"Members of a Municipal Council are entitled to participate in its proceedings and those of its committees in a manner that:-

- a) Allows parties and interests reflected within the Council to be fairly represented;
- b) Is consistent with democracy; and
- c) Maybe regulated by national legislation."

In keeping with the requirements of that Section of the Constitution, the Executive Committee was constituted on the basis of proportional representation, giving the following membership:-

African National Congress: 7 Councillors;

Inkatha Freedom Party Councillors: 1 Councillor

Democratic Alliance: 2 Councillors,

National Freedom Party: 0 Councillors

The Executive Committee holds ordinary meetings twice per month with additional special meetings being convened as and when necessary. The Terms of Reference of the Executive Committee require that, amongst other things, it:-

Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998; Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government.

3.2.4. PORTFOLIO COMMITTEES (SECTION 70)

KwaDukuza Municipality has established five Portfolio Committees to assist the Executive Committee, these being:-

- a) Finance Portfolio Committee;

- b) Infrastructure and Technical Portfolio Committee;
- c) Economic Development and Planning Portfolio Committee;
- d) Amenities, Safety and Security Portfolio Committee; and
- e) Local Public Administration and Labour Relations Committee.
- f) Amenities and Security

Each of the Committees has defined terms of reference covering the whole range of the functions of the Municipality.

The Portfolio Committees meet once per month and the recommendations of the Portfolio Committees are submitted to the meeting of the Executive Committee following the meeting of the Portfolio Committee.

3.2.5. SUB COMMITTEES (SECTION 79)

The Council has also established Sub-Committees, including:-

- a) Budget and Audit Steering Committee;
- b) Local Labour Forum;
- c) Ethics Committee;
- d) Youth Sub-Committee;
- e) Gender Sub-Committee;
- f) Risk Management Committee; and
- g) Human Resource Development Sub-Committee
- h) Ethics Committee

These meet on a regular basis to develop strategies and approaches to address challenges in connection with their specific areas of expertise.

3.2.6. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Following the guidelines of the Department of Co-operative Governance and Traditional Affairs the Council has established a Municipal Public Accounts Committee. The Committee consists of 5 Councillors of the Municipality, who are not members of the Executive Committee. The Committee examines:-

- a) The financial statements of all executive organs of Council;
- b) Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal Entity.
- c) Any other financial statements or reports referred to the Committee by the Council;

d) The annual report on behalf of the Council.

It also reports to the Council, through the Speaker, on any of the financial statements and reports referred to above; develops the annual oversight report based on the annual report; initiates any investigation in its area of competence; and performs any other function assigned to it by resolution of the Council.

3.2.7. AUDIT, PERFORMANCE MANAGEMENT AND RISK COMMITTEE

The Council is required by law to establish:

- a) An Audit Committee;
- b) A Performance Management Audit Committee; and
- c) A Risk Management Audit Committee.

The Audit Committee operates under a Charter approved by the Council and submits reports on its activities to the Council twice annually. However, to improve communication between the Audit Committee and the Council, the Mayor and the Chairperson of the Municipal Public Accounts Committee have a standing invitation to attend all meetings of the Audit Committee.

3.2.8. INTERNAL AUDIT CAPACITY AND FUNCTIONALITY

The Municipality has an Internal Audit Unit which operates in terms of an Audit Plan developed by the Audit, Performance Management and Risk Committee. In the past the Internal Audit Unit has lacked the capacity to address all the matters contained in the Audit Plan and has relied on assistance from the Provincial Treasury to meet the requirements of the Audit Plan.

3.2.9. POWERS AND FUNCTIONS

The following are the powers and functions assigned to KwaDukuza.

1. Air & Noise Pollution	15 .Municipal Abattoirs
2. Beaches and Amusement Facilities	16 .Municipal Planning
3. Billboards & Display of Advertisements in Public Places	17 .Municipal Public Transport
4. Building, Trading Regulations, Liquor & Public, Nuisance Control	18 .Municipal Parks and Recreation
5. Cemeteries, Funeral Parlours & Crematoria	19 Municipal Roads
	20 .Pontoons, Ferries, Jetties, Piers & Harbours

- 21. Storm Water Management
- 22. Pounds
- 23. Public, Nuisance Control Fire Fighting Services
- 26. Refuse Removal, Refuse Dumps & Solid Waste
- 27. Street Trading
- 28. Traffic and Parking
- 29. Storm Water Management

of **KwaDukuza** Municipality and is assisted by six Heads of
 led into a particular number of sub directorates headed by

pply chain, expenditure, creditors and direct payments,

creditors and direct payments, salaries, rates, housing

and fleet management services.

ering, project management unit and planning storm

Local Economic Development, Human Settlements,

Building Control.

c, crime prevention, motor licensing administration,

emergency, testing and motor licensing and testing

2011, Council approved the establishment of a

articipation, Performance Management System

TABLE 10 - POWERS AND FUNCTIONS

6. Child Care Facilities	21. Storm Water Management
7. Cleaning & Trade Areas	22. Ponds
8. Electricity Reticulation	23. Public, Nuisance Control Fire Fighting Services
9. Fencing and Fences	26. Refuse Removal, Refuse Dumps & Solid Waste
10. Fire Fighting Services, Facilities for	27. Street Trading
Accommodation,	28. Traffic and Parking
Care & Burial of Animals	29. Storm Water Management
11. Local Tourism	
12. Local Amenities	
13. Local Sport Facilities	
14. Markets Stalls / Trading Areas	

3.3. ORGANIZATIONAL STRUCTURE

The Municipal Manager heads the administrative structure of KwaDukuza Municipality and is assisted by six Heads of Departments (Executive Directors/ ED's). Each is further divided into a particular number of sub-directorates headed by Directors and are tabulated as follows:

Finance Directorate incorporates budget and compliance, supply chain, expenditure, creditors and direct payments, revenue, rates/housing/sundry debtors and salaries.
Corporate Services Directorate incorporates human resources, creditors and direct payments, salaries, rates, housing and sundry debtors.
Electrical Services Directorate incorporates electrical engineering and fleet management services.
Civil Engineering Services Directorate incorporates civil engineering, project management unit and planning storm water
Economic Development and Planning Directorate incorporates Local Economic Development, Human Settlements, Development Planning, Youth Development, Development Control and Building Control.
Municipal Services Directorate incorporates community safety, traffic, crime prevention, motor licensing administration, fire and emergency services, parks and gardens, operations control emergency, testing and motor licensing and testing administration, testing operations and disaster management.
In the KwaDukuza Municipal Council Lekgotla held in September/October 2011, Council approved the establishment of a Corporate Governance Directorate , which incorporates IDP/ Public Participation, Performance Management System (PMS), Internal Audit and Corporate Communications

d) The annual report on behalf of the Council.

It also reports to the Council, through the Speaker, on any of the financial statements and reports referred to above;

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4. Building, Trading Regulations, Liquor & Public Nuisance	18. Municipal Parks and Recreation
5. Cemeteries, Funeral Parlours & Crematoria	19. Municipal Roads
	20. Pontoons, Ferries, Jetties, Piers & Harbours

ORGANISATIONAL STRUCTURE seen in the diagram below was adopted June 2015/2016 financial year.

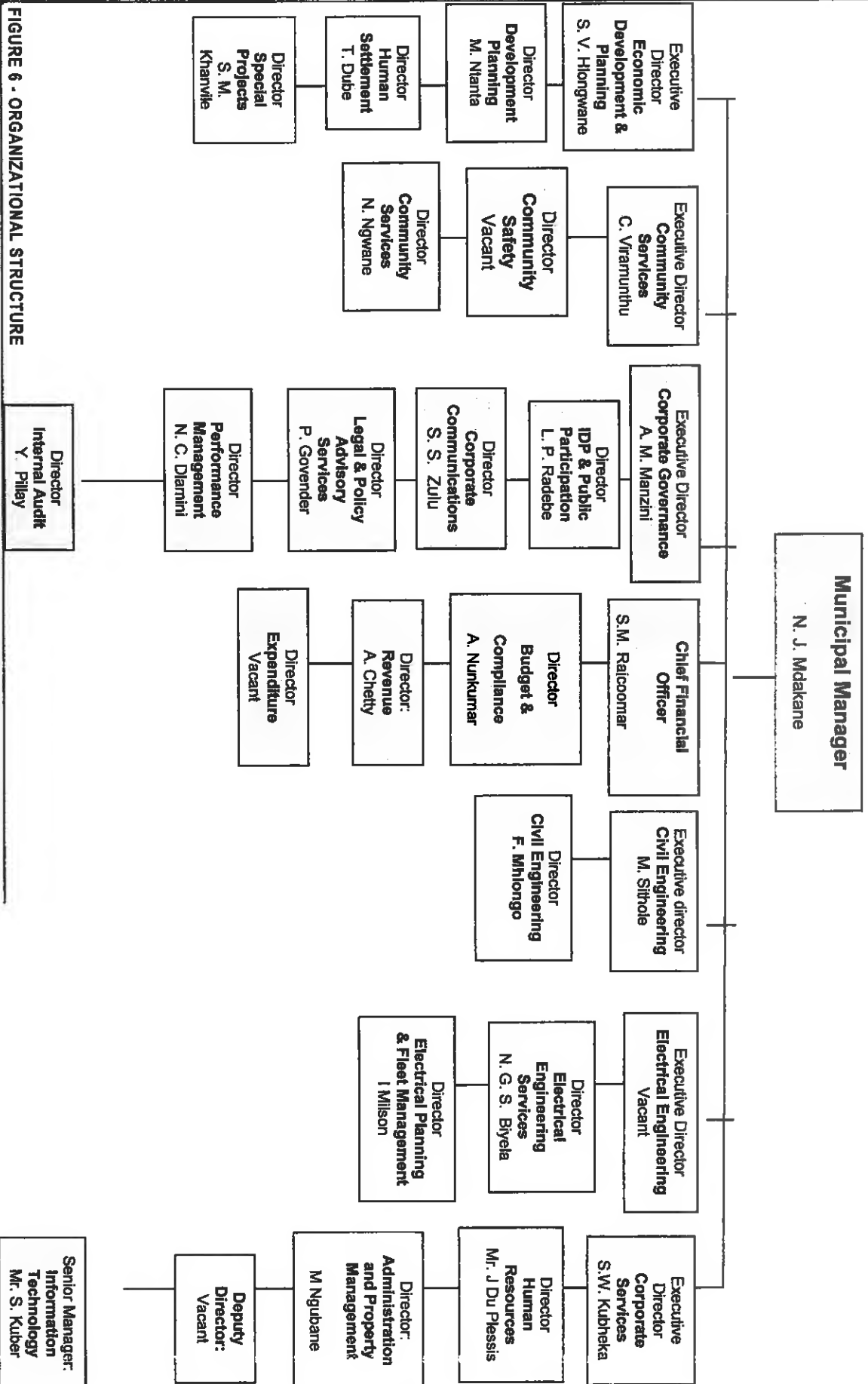


FIGURE 6 - ORGANIZATIONAL STRUCTURE

3.4. HUMAN RESOURCE DEVELOPMENT

3.4.1. Current number of employees

STAFF COMPLEMENT	ACTUAL	VACANCIES	TEMPORARY
1106 Employees	811	297	180
Section 56 Managers	6	2	1

Although the municipality seems to have a high number of vacancies, it should be noted that most of the vacant positions are occupied by staff members employed on a temporary basis leading to a payroll of about 991. However in a Senior Management Level (Section 56 Managers), there are still two positions that are not filled in yet, that of Executive Directors: Electrical Engineering and Executive Director: Community Safety. These are prioritised positions by Council and the process to find a suitable candidate is underway.

Measures to improve and lower vacancy rate have been employed by prioritising the recruitment and selection section by appointing one additional Personnel Officer to make two as well as a Records Clerks ensuring management of information. The KDM recruitment and selection policy encourages internal staff mobility, meaning that whenever these vacancies are filled internal staff members are encouraged to apply and get appointed where deemed appropriate.

3.4.2. Employment Equity Plan

KwaDukuza 5 year Employment Equity Plan was approved in 2011 running from October 2011 and terminates on 30 September 2016. The Municipality will commence in March 2016 preparations for the approval of the new 5 years' Employment Equity Plan by end of September 2016. As part of the affirmative action strategies, the following formed part of the current employment equity plan:-

In order to achieve equity within the context of KwaDukuza Municipality, affirmative action shall be defined as implementing immediate positive remedial actions, programmes and procedures to address both historical and existing inequalities and imbalances a in the work place within the present staff profile.

These measures include among others the following affirmative action activities:

- Purposeful targeting of people living with disabilities,
- Relaxation of post requirements for underrepresented designated groups,
- Create awareness about discrimination practices and irregularities in recruitment,
- Provide and upkeep ablution facilities and office working areas,

Build humps and increase parking bays for people living with disabilities.

The implementation of the plan has moved swiftly, however there are still some challenges with the staff turnover of women especially at senior level. The recruitment of people living with disability as well white females. Stringent measures will be incorporated into the new plan to ensure that the municipality overcomes these challenges.

3.4.3. Workplace Skills Plan

The human resources development section of KDM empowered by the office of the Skills Development Facilitator has developed the Workplace Skills Plan for implementation during the 2015/16 financial year. The plan was approved by KDM Council in June 2015 and submitted to the Local Government Sector Education and Training (LGSETA) for ratification. The plan is under implementation with the following learning programmes

Apart from the above formal human resource development initiatives internal workshops are being conducted by KDM expert officials specialising in various fields. These are done to ensure that information is infused to all sections within the municipality with a view to empower all KDM officials. Coaching and mentorship programmes are undertaken, however it should be mentioned that these still need to be formalised and refined.

Job Descriptions are being reviewed and will after completion assist in identification of the required competencies. This process will be accompanied by cascading Performance Management System from the senior management level to middle management, other levels of management and until Task Grade 12. Below are some the programmes that employees receive training in and benefit from:

With the implementation of SPLUMA, with regard to the DPSS model in relation to supporting other municipalities in the Lembe District Municipality, the remaining three municipalities being Ndwedwe, Maphumulo and Mandeni Municipalities have set up a Joint Municipal Planning Tribunal. The Chief Planner of Lembe District Municipality is now facilitating for the Joint Municipal Planning Tribunal for the above mentioned municipalities.

The absorption of the Chief Town Planner and the Senior Town Planner into KwaDukuza Municipality has been achieved. The two positions have now been formerly absorbed into the organogram of the Economic Development and Planning Directorate with the titles still being the same therefore exiting the shared services. Other factors which supported the initial business plan for absorption of the two posts are that of the implementation of National Planning Legislation being the Spatial Planning and Land Use Management Act (Act No. 16 of 2013). The necessitation of aligning to the national planning legislation by the municipality saw the need to absorb the two positions into the organogram of the Economic Development and Planning Directorate which would further bolster for the implementation of SPLUMA. The posts are adequately budgeted for and through the initial business plan which indicated that the two posts would be absorbed into permanent positions within KwaDukuza Municipality.

3.6. DEVELOPMENT PLANNING SHARED SERVICES

KDM organogram that is attached was reviewed in June 2015, where new positions were incorporated to the already existing establishment. After its approval there was a need to revisit the posts approved for 2015/16 financial year to mitigate a shortfall in the budget caused by the results of the NERSA application. Directorates submitted proposed departmental organograms in February 2015 for approval by Council.

3.5. ORGANOGRAM

Name of the Learning programme	Beneficiaries
Skills programmes	Managers, and all other KDM officials
Learnerships	KDM staff at lower levels and external youth from the local community
Bursaries	KDM employees and youth from local communities
Internships	Unemployed youth from local communities
In-service training	Local youth attending tertiary institutions
Short courses	KDM internal Staff and Councilors

KwaDukuza Municipality has designed a customer satisfaction survey questionnaire in-house. This is to facilitate a survey in all the already existing 27 wards and two additional ones by assessing the municipality's performance in relation to the services that it delivers to its communities and likewise enhance the relationship between the municipality and external customers. This is also a way to get to know the needs of the communities and external stakeholders better. As soon it has been presented at different portfolio committees and Council for approval, copies will be advertised on local newspapers and uploaded on the municipality's website.

3.7. CUSTOMER SATISFACTION SURVEY

The Operations of the former DPSS staff being the Chief Planner and the Senior Planner is now assisting in forward planning, statutory planning, land use management and spatial planning of the KwaDukuza Municipality. In addition and in the case of KwaDukuza Municipality, the two staff further support the Human Settlements Unit over and above the support it provides to the Development Planning Unit. The status quo of the former DPSS for KwaDukuza Municipality currently is based on the absorption of the two staff where they are continuing with the functions previously performed under the DPSS.

OPERATIONS AND STATUS QUO

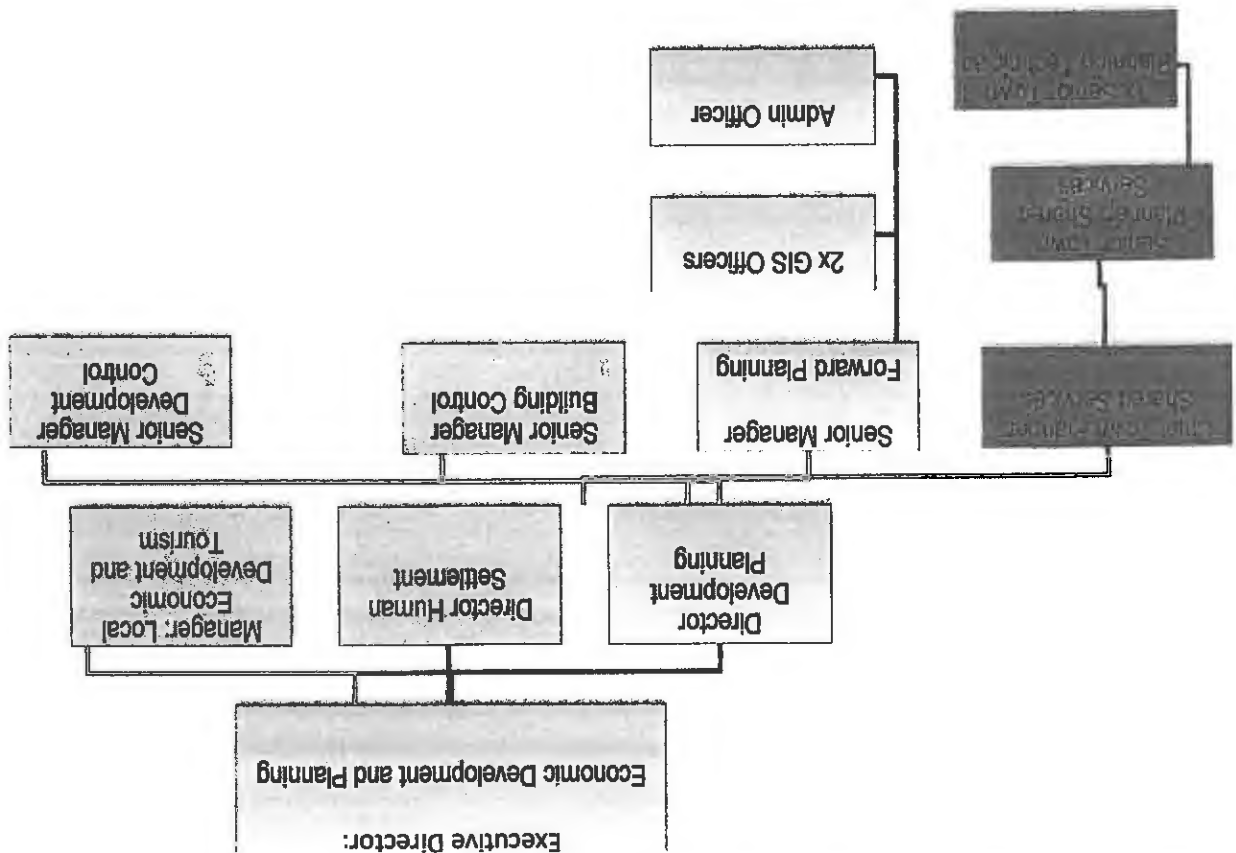


FIGURE 7 - ABSORPTION OF DEVELOPMENT PLANNING SHARED SERVICES INTO EDP ORGANOGRAM

3.8. ICT POLICY FRAMEWORK

KDM has recognised the importance of the deployment of information and communications technologies, fully integrated into a digital nervous system, providing it with the knowledge necessary to act and deliver efficient and effective services as described in the IDP. As a consequence, the KDM commissioned the development of an ICT Master Systems Plan that will be implemented over a 3-year period.

The ICT Policy Framework was then adopted in 2011 and is currently being implemented. There is an IT Steering Committee appointment and is fully functional. The framework addresses IT governance issues in terms of King 111 and Corbit. There are no challenges that being experienced.

The KwaDukuza Municipality's ICT function operates within the government framework as mandated by the KwaZulu-Natal Department of Local Government and Traditional Affairs. The ICT unit has a mandate to effectively support and coordinate all the KwaDukuza Municipality's Information, Communication, and Technology needs, whilst ensuring that value is realised through responsible ICT investment.

- The ICT division supports and enables the organisation's mandate in the following context as utilised throughout the ICT planning lifecycle:

- provide a reference to the boundaries in which ICT can operate
- provide a reference to understand what should drive the ICT environment
- to provide measurable objectives to enable the ICT unit through Information Management, Systems and Technology

- provide overall guiding principles to the following ICT/IM dimensions:

- Management, Organisation and Governance
- Applications and Information
- Architecture and Infrastructure

- provide specific measurable targets for the ICT unit to enable the organisation's strategic objectives and enhancing service delivery

- provide an enabling environment defined as Critical Success Factors to be present for ICT to achieve its objectives and specific targets.

3.9. AUDIT RESPONSE

In 2015/2016 financial year KwaDukuza Municipality received unqualified report with a few matters of emphasis. In response to concerns raised in Auditor General's report, KDM management developed an action plan in order to address concerns.

3.10. MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT SWOT ANALYSIS

<p>WEAKNESSES</p> <ul style="list-style-type: none"> • A structure that may not be appropriately linked to strategy • Low level of appropriate skills and educational qualification of staff • Absence of higher learning institutions • Lack of succession planning, recognition and incentives. • Ineffective management of human resources by municipal departments. 	<p>STRENGTHS</p> <ul style="list-style-type: none"> • Access to LGSETA grants • Access to external funding for learner ships e.g. DBSA, etc • Different training packs for willing employees.
<p>THREATS</p> <ul style="list-style-type: none"> • Staff retention immediately after training interventions • Loss of employees due to contractual positions vs permanent ones. 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Qualified & well trained employees • Motivated employees • Personal development plans for ease of reference/tracking. • Improved management of human resources

TABLE 11 - MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT SWOT ANALYSIS

C 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

The primary components for KwaDukuza infrastructure development programme are, solid waste collection, roads, transportation services, electricity, cemeteries and Ilembe District Municipality is responsible for water waste collection/removal and sanitation.

4.1. WATER AND SANITATION

KwaDukuza experiences water disruptions on a regular basis. There is a huge disparity in provision of services. There is also a major service backlog and a lack of maintenance of existing infrastructure. Only half of the population has access to water. Reliance on ground water can lead to health impacts amongst the more vulnerable sections of the population, where ground water has become polluted through poor land use and/or burials near water courses. There is severe water shortage in the area which is exacerbated by new development applications. Umgeni water, KwaDukuza and Ilembe cannot meet the current water requirements of existing users. The water shortage needs to be addressed at a strategic level and various bulk water options are being considered including desalination treatment plants, ways of reducing inefficiencies, waste and water loss need to be investigated.

There is a lack of maintenance of existing infrastructure. Infrastructure is often poorly sited and has the potential to impact on the environment when it is not operating properly. There is one major sewer treatment works at KwaDukuza that pumps sewerage from other smaller sewer pumps across the Municipality. There is no bulk Municipal waterborne sewerage reticulation system available in areas including Blythdale and surrounds Septic tank systems are used in many areas for disposal of liquid waste. Due to extensive housing developments especially along the coast treatment works requires upgrading, however the Ilembe Municipality have indicated that they are not currently in a position to provide a bulk service supply to upcoming developments.

4.1.1. ACHIEVEMENTS AND BACKLOGS

Local Municipality	House Holds	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2/104/2015	2015/2016
Water Backlog Study Estimates											
KwaDukuza	61,084	13,125	12,225	9,725	9,725	9,725	9,725	9,725	6,613	6,253	6,253
Sanitation Backlog Study Estimates											
KwaDukuza	1084	12,456	12,456	12,456	12,456	12,456	12,456	12,456	12,311	12,311	12,311

TABLE 12 - ACHIEVEMENT BACKLOGS ILEMBE WATER AND SANITATION

Source: Ilembe Water Backlog Study 2007

4.1.2. PROPOSED BULK WATER SCHEME FOR KWADUKUZA MUNICIPALITY

4.1.2.1. The Lower Thukela Regional Bulk Water Scheme is intended to serve the area of Kwadukuza with portable water supply. The demand for water on the coastal area of Kwadukuza has increased and the current supply from the Umdloti and Umvoti river systems are insufficient to meet the projected water demand.

The project is implemented jointly by iLembe District Municipality and Umgenti Water and will cater for the:

Current Demand,
Future Private Developments Of Commercial, Industrial And Residential Nature,
Low Cost Housing Developments,
Rural Areas Currently Served As Stand-Alone Schemes, And
Rural Area That Is Currently Un-Served.

The scheme will serve a total of 64,239 bulk connections to commercial and private units, 28,567 low cost housing units, augmentation of bulk to 3,349 rural households and bulk and reticulation to 3,083 rural households without services. The scheme is expected to cost a total of R 1,283,580,681.00 and is implemented in phases, subject to availability of funding. The iLembe District Municipality is also exploring the idea of a desalination plant to augment the above water schemes. The investigations are still at a preliminary phase.

4.1.2.2. The Grootvlei D Household Sanitation Project is aimed at providing waterborne sanitation to Chris Hanl, Lloyds, Ntshaweni and Njiekane areas within Kwadukuza Municipality. The municipality is currently implementing a housing project to 6,000 sites and the project will provide a connection point to collect the sewer from the housing project to the Kwadukuza Waste Water Works that is owned and operated by iLembe District Municipality

4.1.2.3. The Southern Regional Bulk Water and Sanitation Project is aimed at upgrading the existing bulk water and sanitation bulk and reticulation services to Nkobongo, Shayamoya, Shaka's Head and Etele townships. These areas are currently served through VIP toilets and communal water standpipes however, the VIPs are falling due to high water table in the area.

The proposed water and sanitation project will accommodate flows from the above-mentioned townships in Kwadukuza into the waste water works and will upgrade the water supply from communal standpipes to individual yard connections. A total number of 7,557 households including the proposed eTete Phase 4 housing project.

4.2. SOLID WASTE MANAGEMENT

Status of Waste Management in KwaDukuza

Section 156 (in conjunction with Schedule 4B and 5B) of the Constitution of South Africa (Act 108 of 1996), assigns cleansing and solid waste removal and disposal to Municipalities. To better perform this function, the NEMA: Waste Act (Act No. 59 of 2008) better known as NEM: WA, came into effect, to amongst other objectives, to consolidate all policies and legislation governing waste in South Africa. Municipalities and other government institution are compelled to comply with a number of sections of the Act, which are discussed below:

Section of NEMA: WA	Description	Status
Section 11	Section 11 of the Act compels institutions responsible for waste management to develop a tool to manage their waste, which is known as the Integrated Waste Management Plan (IWMP).	KwaDukuza Municipality is in the process of finalizing its Integrated Waste Management Plan (IWMP).
Section 10 (3)	For the National Department, Provinces and Municipalities to designate waste management officers (WMOs), to be done in writing, to ensure that there is constant communication between all three spheres of government on the implementation of the Waste Act	All LMs have designated WMOs. These designation will now have to be formally communicated to the MEC or Minister, as per the Act

The KwaDukuza Municipality currently has 27 wards soon to be 29 wards and is divided into two areas, the North (Stanger CBD and the surrounding areas) and the South (Ballito and surrounding areas). The Southern Area is currently being serviced by a private company – Dolphin Coast Waste Management. This service is only for the formal/developed areas. This current contract will expire in the next three years. As part of the contractual obligations the service provider has a dump site which is also used by KDM for its disposal at a fee. There is one small town which is Shakaskraal and it is being serviced by a private company. In all the semi-formal developments and low coast developments the municipality introduced skips as the means of providing a minimum service to the community. The municipality has over 100 skips in various wards that need to be serviced on daily bases. This is due to the fact that there is a demand for a service which can be funded with the current budget and the municipality has found a short term solution to the problem.

The KDM waste management section has about 83 waste management employees which are servicing the Northern Area. It must be noted that the population is growing at an alarming rate and the current staff complement cannot cope with the demand. Out of the 78 employees there is only one person that is in the middle management who takes responsibility for the entire operational duties. It must be noted that the service is out sourced in the Southern Area. The Municipality has 26

one person contract (OPC) which are servicing the various wards and 11 of them are being supervised externally by one of the contracted individuals and the rest are supervised internally.

The villages that are characterized by having no service at all, contracted to Dolphin Coast Waste Management (DCWM) on municipal bag waste system, one person contractor (OPC) on municipal waste bag system, KwaDukuza Municipality (KDM) on municipal bag waste collection system or skip waste collection. The skip services are usually placed at the periphery of the community but in some instances they are placed nearer to dwellings.

Current Human Resource (Structure)

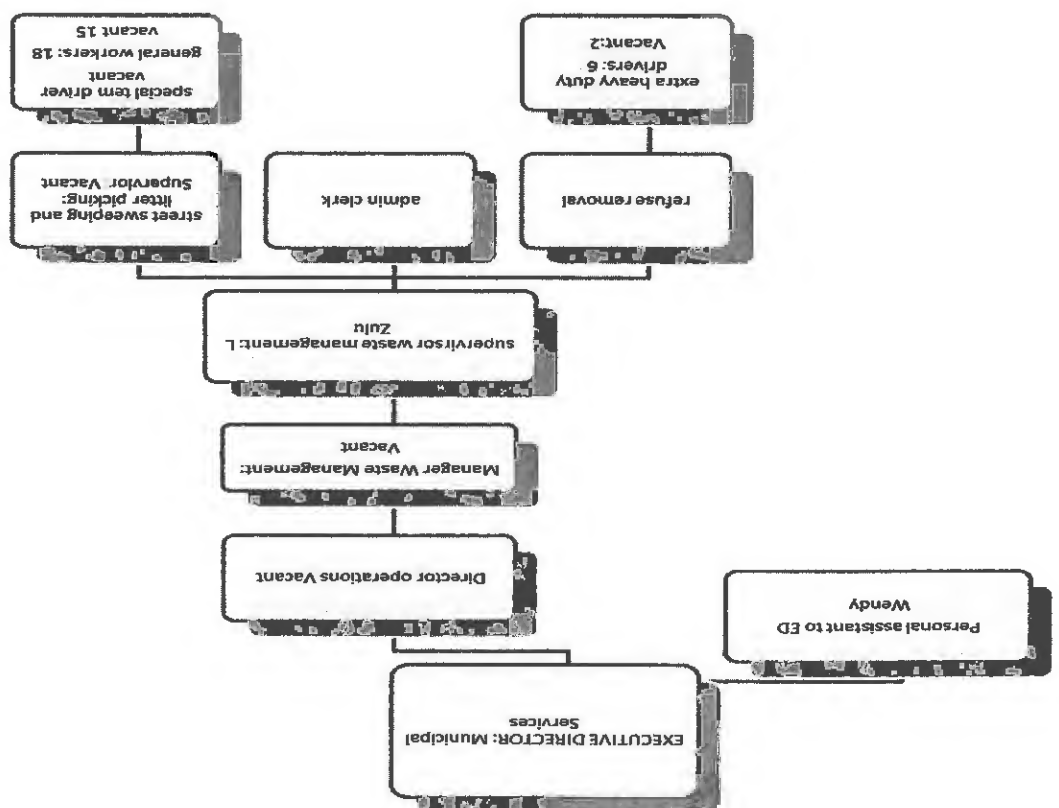


FIGURE 8 - HUMAN RESOURCES STRUCTURE FOR SOLID WASTE MANAGEMENT

KwaDukuza Municipality runs the waste management unit with a fleet that is a combination of an aging fleet as well as new additions.

4.2.1. Landfill and Landfill Equipment

KDM recently decommissioned Shakaville Disposal Site. Currently waste is disposed at two sites that are privately owned. KDM registered a single piece of equipment as part of their landfill equipment.

KDM does not provide any transfer of waste in the area of jurisdiction while they are responsible for collection and transport of waste to landfill. Within the area of jurisdiction there is one transfer station in the South handling approximately 6 400 tons/month of mixed waste, 2000m³/month of garden waste as well as 450 ton/month recyclables. The facility is north.

South. The evidence of illegal dumping in private and public land is imminent around the municipal area especially the Management is currently responsible for clearing illegal dumping in the North while the private sector is responsible for the handled a month by private transfer station and processed and sent to a composting facility in a mulch format. Waste landfill site which is owned and operated by the private sector. In the South approximately 2000m³ of garden waste is The Parks and Garden Department renders the service to community. In the north the garden waste is disposed at the

4.2.2. KDM Waste Management

MAP 10 - WASTE MANAGEMENT SKIPS



KDM is responsible for waste management in the municipality however some of the responsibilities have been contracted out without adequate supervision. In some areas the retrieval rate of the bags is around 40%. Given that waste collection is currently done twice in a week the actual loss may be bigger as this example is based on a single collection area once a week. The municipality renders skip waste services to some of the communities that are not accessible by the waste collection truck in a 2.2m³ and 6m³ containers serviced once a week. Below is the map showing where skips are located throughout the municipality.

owned and operated by Dolphin Coast Waste Management. Currently KDM is in a process of rehabilitating the transfer station so it will operate as soon as possible.

880



MAP 11 - LANDFILL SITES

SUMMARY OF DEFICIENCIES AND GAPS

STRATEGIC ISSUES		GAPS
Financial Arrangements	Funding model for cleaning services flawed	Base population in StatsSA differs from the population reflected on the IDP Poor record keeping for vehicle and maintenance No waste information system for the municipality.
	Completeness of revenue not examined Return of assets not realized. Clear rebate system for the indigent	
Waste Information		
Management		

- Strategic waste management planning for a 5 year planning horizon (2010–2015).
- Implementation of integrated waste management principles promoting avoidance, prevention, minimization, reuse, recycling and safe waste disposal.

The key factors, which will influence future waste management in KDM, include the following:

waste information management systems.
resource recovery infrastructure, waste drop off facilities, human and other resources, waste education, awareness and were identified, waste avoidance, minimization, diversion, extending access to residential waste collection services, From the analysis of the gaps identified in the Waste Status Quo Report in KwaDukuza Municipality the following needs

4.2.3. THE WASTE MANAGEMENT CHALLENGES FOR THE MUNICIPALITY

STRATEGIC ISSUES	GAPS
Waste Collection Services No supervision of the contracted services especially in the South of the municipality. Waste collection coverage is currently at 56, 6%. Non standardized waste collection system within the municipality Skip waste collection not synchronized with the disposal patterns leading to overflows. Limited number of skips for the municipal collection area. Collection of dead animals limited to certain areas and not well coordinated. Lack of formal waste separation programme within the municipality. Distribution of municipal refuse bags not effective.	Garden Waste and Composting Currently there is no collection system for garden waste in the municipality. Only one privately owned garden waste site exist in the South of the Municipality.
Legal compliance KDM non-compliance with the provision of Section 24 of the constitution in terms of protecting the citizens environmental rights Non-compliance with the requirements of the waste legislation and permit for the closure of ShakaVillie waste disposal facility Non-compliance with the provisions of the Waste Act and its regulations Waste Management By-laws not reviewed Waste Management By-laws enforcement very limited Non-conclusion of environmental levies on the current waste management by-laws Current by-laws are without penalties for transgressors. Review of the enforcement authority for waste management by-laws pending.	Contract Management Limited capacity for contract management in the municipality No contract with business and industrial clients as well as their waste auditing
Waste Disposal Location of waste sites promoting illegal dumping in some areas Only two disposal facility for the municipality No system to handle toxic and hazardous waste in the municipality.	

- Extension of basic waste management services to all residents of KDM.

- Prevention of health risks and environmental pollution from waste management activities and facilities.
- Implementation of a waste information system.
- Institutional strengthening and capacity building.
- Public awareness raising regarding environmental and waste management issues.
- Review of the Refuse Removal By-laws
- Rehabilitation of Shakaville Disposal Site.

The Table below summarizes the waste management needs for KDM, translated from the key factors above. It must however be noted that the development of the IWMP ran parallel with the development of the Shakaville rehabilitation plan as well as the review of the refuse management by-laws.

4.2.4. INTEGRATED WASTE MANAGEMENT NEEDS FOR KDM

STRATEGIC	NEEDS	PURPOSE
Waste Information System and Management	Develop and manage a credible Waste Information System	Legal requirement for reporting on waste management activities To provide empirical information for planning and research
Waste Collection Services	Extension of waste collection services	Legal requirement
Garden Waste and Composting	Development of waste drop of sites and composting plants Development of garden waste collection system	Reduce waste to landfill
Disposal	Reduce waste to landfill in line with the Polokwane Declaration	Legal compliance
Waste minimization and recycling	Formalize waste minimization and recycling	Legal compliance Local economic development
Institutional/Organizational	Develop current waste management team Recruit capable members to augment the current team	Personnel development Legal compliance

- encourage prevention of waste generation and reduction of waste requiring landfill;
- divert up to 40% of all general paper, plastic, cans and glass for purposes of recycling;
- divert up to 30% of all organic wastes from landfill sites to composting facilities;
- develop resource recovery infrastructure;
- promote waste minimization and recycling;
- collect accurate waste information and develop information management systems enforce waste management by-laws; and
- develop waste management education and awareness programmes.

The plan objectives are to:

This section sets out the strategies, strategic priorities and, objectives for achieving the integrated waste management plan vision for effective and efficient waste management. These strategies and priorities chart the direction the Municipality will follow in implementing the waste management policy. The Municipality waste management policy sets out objectives and targets that will have to be achieved in the short, medium and long term. These plan objectives and targets direct the waste strategy that the Municipality will adopt in response to the waste challenges within the Municipality.

4.2.6. STRATEGIC AND PRIORITIES FOR AN INTEGRATED WASTE MANAGEMENT

During the initial studies it was observed that all communities need to have an integrated waste management services that are equitable, accessible and affordable. All waste management activities must meet certain environmental standards set in the Waste Management Act as well as the framework legislation in the National Environmental Management Act. Clear roles and responsibilities between municipal departments as well as the private sector are necessary to provide integrated waste management services.

4.2.5. APPROPRIATE AND ENVIRONMENTALLY SOUND MANAGEMENT OF WASTE

KDM seeks to achieve the following outcomes through its Integrated Waste Management Plan:

STRATEGIC OUTCOMES

STRATEGIC	NEEDS	PURPOSE
Education, capacity building and awareness needs	Develop and implement an education and awareness strategy	Community and personnel empowerment
	Develop contract management skills	
	Development and implementation of a funding model for street cleansing	

The municipality has a Draft IWMP in place which has been reviewed internally and submitted to the DEDTEA and anticipating approval in March 2015, then SALGA will review and update the KDM IWMP.

4.3. TRANSPORTATION INFRASTRUCTURE

This section describes trends in road infrastructure, road vehicles, airport trends and port movements within KwaDukuza, iLembe, Province and nationally and also includes a map showing main transport routes.

4.3.1. Vehicle Registration

In KwaDukuza, vehicle registrations increased by 796 vehicles to 40,769 which is the highest increase in two years.

4.3.2. Airport Passenger Movement

King Shaka International experiences the least passenger traffic at an average of 400 000 passengers per month out of the three international airports.

Passenger numbers have increased by 1% to 1 119 230 since 2011.

4.3.3. Port Movement

Richards Bay and Durban ports contribute approximately 60% of all port movements in South Africa. This is economically significant for municipality as it is situated between these two ports and therefore, the activity of these two ports is a good gauge of economic activity in the area in general.

4.3.4. Road Infrastructure

Department of transport embarked on a maintenance programme to maintain the major corridor roads towards KwaDukuza and through KwaDukuza Municipal area. Roads affected and now currently in the process of rehabilitation are the R 74 and R102 which are the main carriers within the jurisdiction Of KwaDukuza. Funds were set aside to deal with the roads and contracts have been awarded to contractors to rehabilitate.

KwaDukuza Municipality has strong North-South linkages via the N2 and Provincial road R102. These roads provide a basis for linking the main coastal nodes and the main Provincial Economic hubs (eThekweni and uMhlatshuze). There are also distinct East-West linkages via the R74 and R614, these serve as a basis for connection of inland and coastal nodes, as well as other municipalities within iLembe District. Metrorail is the backbone of public transport in KwaDukuza with approximately half (49%) of the population (mainly inland) not having access to any formal mode of transportation.

An integrated transportation plan has been developed by iLembe District Municipality. Poor condition of roads due to poor standard of storm-water management and lack of maintenance are some of the municipality's concerns. The important

The municipality has been working with ICLEI – Local Governments for Sustainability in order to jointly come up with progressive strategies that will improve energy efficiency, promote the roll-out of renewable energy, and reduce climate change-inducing carbon emissions. The earlier phase of the project provided a baseline assessment so that progress towards a more sustainable development path can be tracked, through setting achievable targets, and measuring progress over time. The main focus of this baseline assessment completed in 2014, was a Greenhouse Gas Inventory for the 2012 calendar year. This inventory highlights the energy usage and associated carbon emissions for the area.

4.4. ENERGY

Map 12 - Transport Infrastructure



component of the structuring the future development of the area is to focus on locating activities in areas of accessibility, within the various corridors, where higher accessibility exists.

4.4.1. Results of the first Greenhouse Gas Inventory for Kwadukuza

This section provides a high level summary of the energy usage and associated greenhouse gas emissions for Kwadukuza Municipality. In view of these results, recommendations can be made to simultaneously address energy security & energy poverty, while increasing energy efficiency and reduce the energy requirements and resultant greenhouse gas emissions intensity in the area.

Electricity is the dominant energy type used in Kwadukuza (43% of total 5.3 million GJ of energy consumed), a pattern that is consistent with other municipalities in South Africa. Petrol (35%) and diesel (21%) are the second and third most dominant fuel types used in Kwadukuza. Nationally, electricity is mostly generated from fossil fuels, which means that the emissions produced as a result of electricity consumption in the Kwadukuza area is 65%. The sectors consuming the greater proportion of energy in the area are the transportation (56%), residential (15%), Industrial (11%), and Commercial (11%) sectors. These sectors all together are also responsible 87% of the total 1.008 million tonnes of carbon dioxide equivalent (tCO₂e) emissions accounted for in year 2012. 91.2% was emitted by the community and 8.8% emitted directly by the local authority (with the inclusion of electrical losses). The first pair of pie charts below shows the percentage of energy use (left hand graph) and associated emissions for each of the main fuel types used in Kwadukuza.

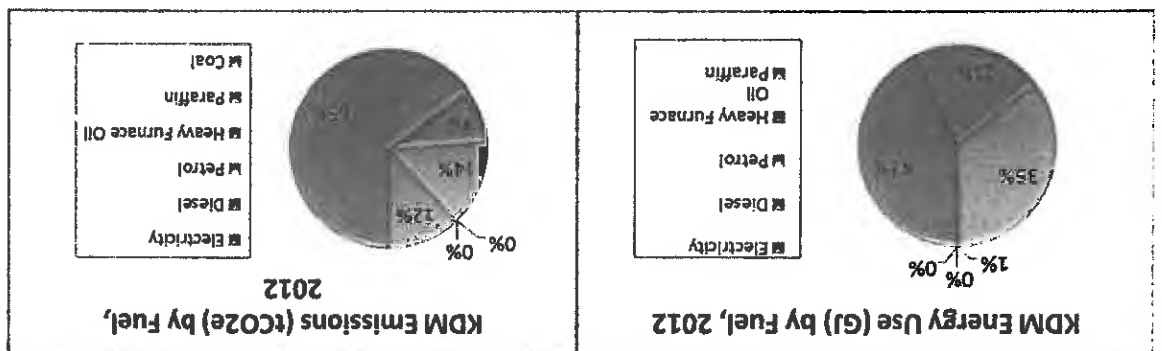


Figure 9. Energy use and carbon dioxide emissions per fuel type used in Kwadukuza Municipality in 2012.

The next pair of pie charts shows the energy use (left graph) and carbon dioxide emissions (right graph) per economic sector in Kwadukuza Municipality.

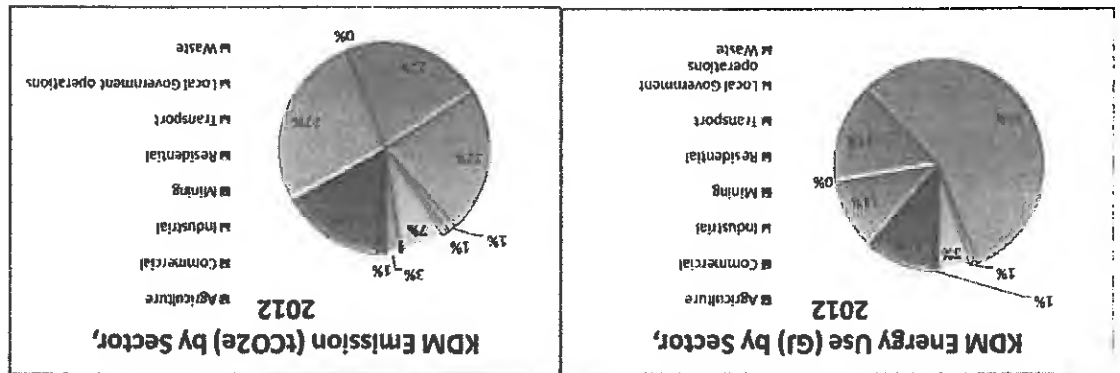


Figure 10. Energy use and carbon emissions per sector for KwaDukuza Municipality (2012 figures).

867

The carbon and energy intensity in KwaDukuza is similar to that of like-sized municipalities, with similar economic activities, and demographics. Energy consumption is 23 gigajoules (GJ) per person per annum. The per capita emissions amount to 4.36 tCO₂e per person per annum. Every million Rand of Gross Value Added in the local economy requires 685.8 GJ of energy to produce and therefore emits 130.1 tCO₂e. More detailed statistics on the energy use and carbon emissions can be found in the detailed Greenhouse Gas Inventory Report, with high-level summary statistics in the infographic below.

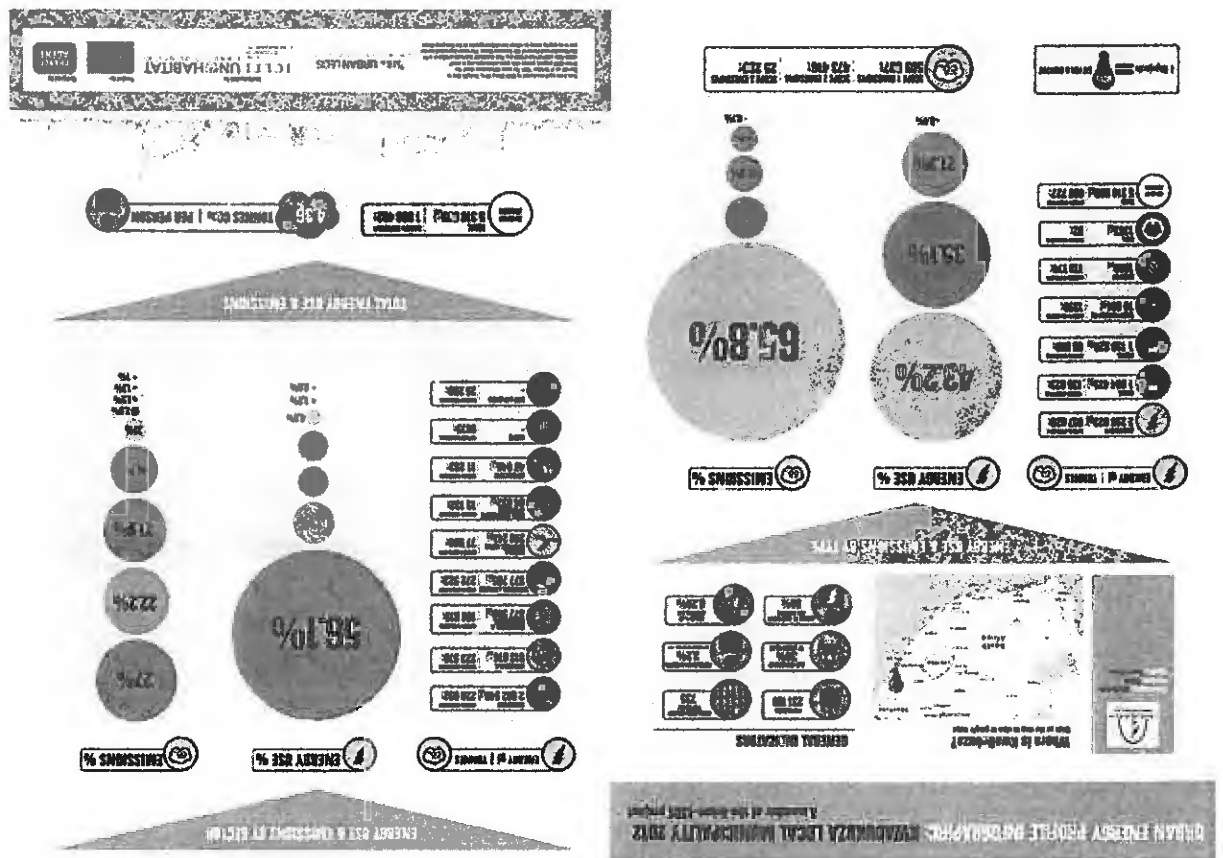


Figure 11. Infographic showing KwaDukuza Municipality's urban energy and emissions profile.

The graph below shows the present opportunity for households in KwaDukuza to shift away from paraffin and wood, which can pose environmental and health risks, to more modern fuels such as gas and electricity. 10% of households still use candles as a primary lighting source.

4.5.2. Energy Sector Plan

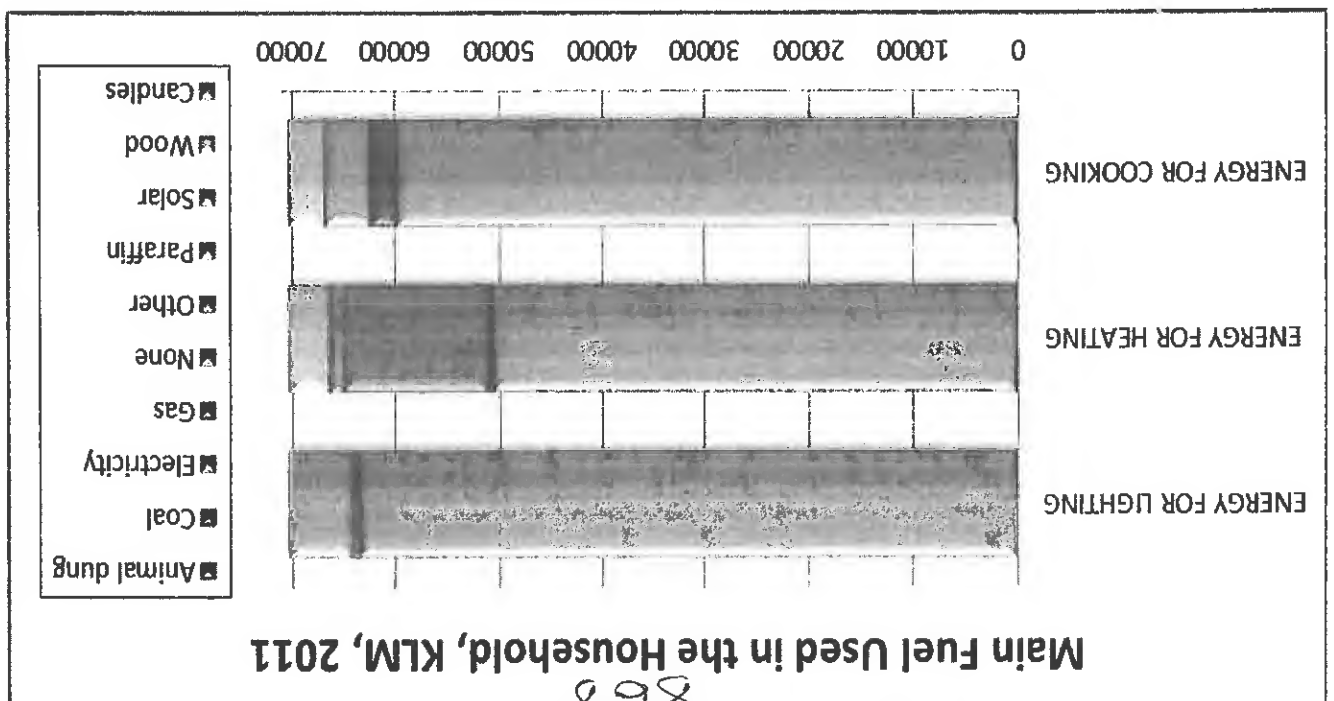
KwaDukzua Municipality is a licensed electricity provider, however in some rural areas electricity is still supplied

4.5. ELECTRICITY

The municipality intends to work together with communities and business to contribute towards a low carbon future. A series of actions to reduce emissions are included in a brand new low emission development strategic framework and action plan that was recently adopted; the actions and recommendations of which will be integrated into this and

Setting ambitious but achievable targets to reduce greenhouse gas emissions can achieve multiple co-benefits at the level of the community and for the local authority. Examples include: improved energy security, reduced energy poverty, a greener, more inclusive economy at the level of community. Reduced operational costs for the municipality through improved energy efficiency, reduced internal losses, and increased reliability of municipal infrastructure, as well as

Figure 12: Fuels used for lighting, heating and cooking in Kwadukuzi, 2011 (Source: StatsSA)



Rising to these challenges the Municipality has embarked on a program to upgrade its networks in order to stabilize and improve the quality and firmness of supply. The upgrades which have thus far been undertaken are in line with the findings of the Energy Master Plan Network Study conducted by NET GROUP. Responding to the infrastructure challenges identified in the Master Plan, the Municipality has already accomplished the following upgrades:

For the Southern network KwaDukuza Municipality has upgraded the Shakaskraal/Hilltop/Business Park 33 kV Overhead line and associated network equipment from 19MVA capacity to 30MVA capacity. This will enable the Ballito and surrounding areas load to be transferred over to the Shakaskraal substation via the Hilltop/Imbonini/Shaka's Rock supply circuit, when overload conditions prevail due to cable theft and/or storm damage occurring causing a loss of supply from the Driefontein feeder or Collisheen feeders each respectively.

The KwaDukuza Municipality has secured a firm 30 MVA capacity (Premium Supply) from ESKOM via the ESKOM Driefontein substation.

The Dual 33kV supply circuits from the Driefontein intake substation have been constructed and are connected to existing interconnected 33kV Networks which has reduced overload situations considerably. These circuits have also made it possible to relieve load on the Shakaskraal intake substation thus availing capacity for load growth in the North East and West sectors of the Southern networks.

It is the intention to transmit supply from Driefontein Sub Station into Council's supply area to connect into the proposed NEW 33/11 kV substation which is to be constructed adjacent to the proposed new ESKOM 132/33 kV DUKUZA substation to be established in the vicinity of Compensation Traction Station.

The availability of this firm 30 MVA capacities will provide sufficient bulk supply capacity leading to the medium term to provide for the degree of firmness of supply required as well as enable a host of alternative network switching configurations to satisfy contingency options under fault and load transfer conditions.

The planning and design for the Municipality Dukuza Sub station (33/11kV) is at an advanced stage however delays in acquiring land rights for the substation servitude have had an adverse effect on progress. These issues are to be resolved shortly.

4.5.4. Electricity Backlogs

Challenges have been experienced in respect to overload situations at Shaka's Rock Sub Station due to the rampant load growth in the Shaka's Rock/Sheffield Beach areas of Supply. This has been overcome by the decision taken by the Municipality to establish the New Sheffield 33/11 kV substation which is central to the emerging growth node. This new substation is at a stage of completion however the full benefit will only be realized upon the 33kV Linking cables having been installed between Shakaskraal Major Intake substation and the new Sheffield Substation.

Budget provision has been made for this project which will carry forward into the 14/15 financial year. Upon commissioning of Sheffield substation it shall be possible to transfer at least 5mva of existing load from Shaka's Rock substation over to the new Sheffield substation which will also reinstate the firm 10 MVA capability at Shaka's Rock substation during peak season and also release load off the Shakaskraal, Hilltop, and Imbonini 33 kV distribution network.

To fully utilize the available capacity and relieve load from Shaka's Rock substation as well as reinforce supply to the far end of Sheffield Beach, a suitably rated dedicated 11 kV feeder cable to connect between Sheffield Substation and Village Switch room has been installed. The benefit to be derived from interconnecting the two firm 10 MVA substations (Shaka's Rock and Sheffield) will be the capability of transferring network load between major sub stations under emergency conditions thus allowing for a greater security of supply.

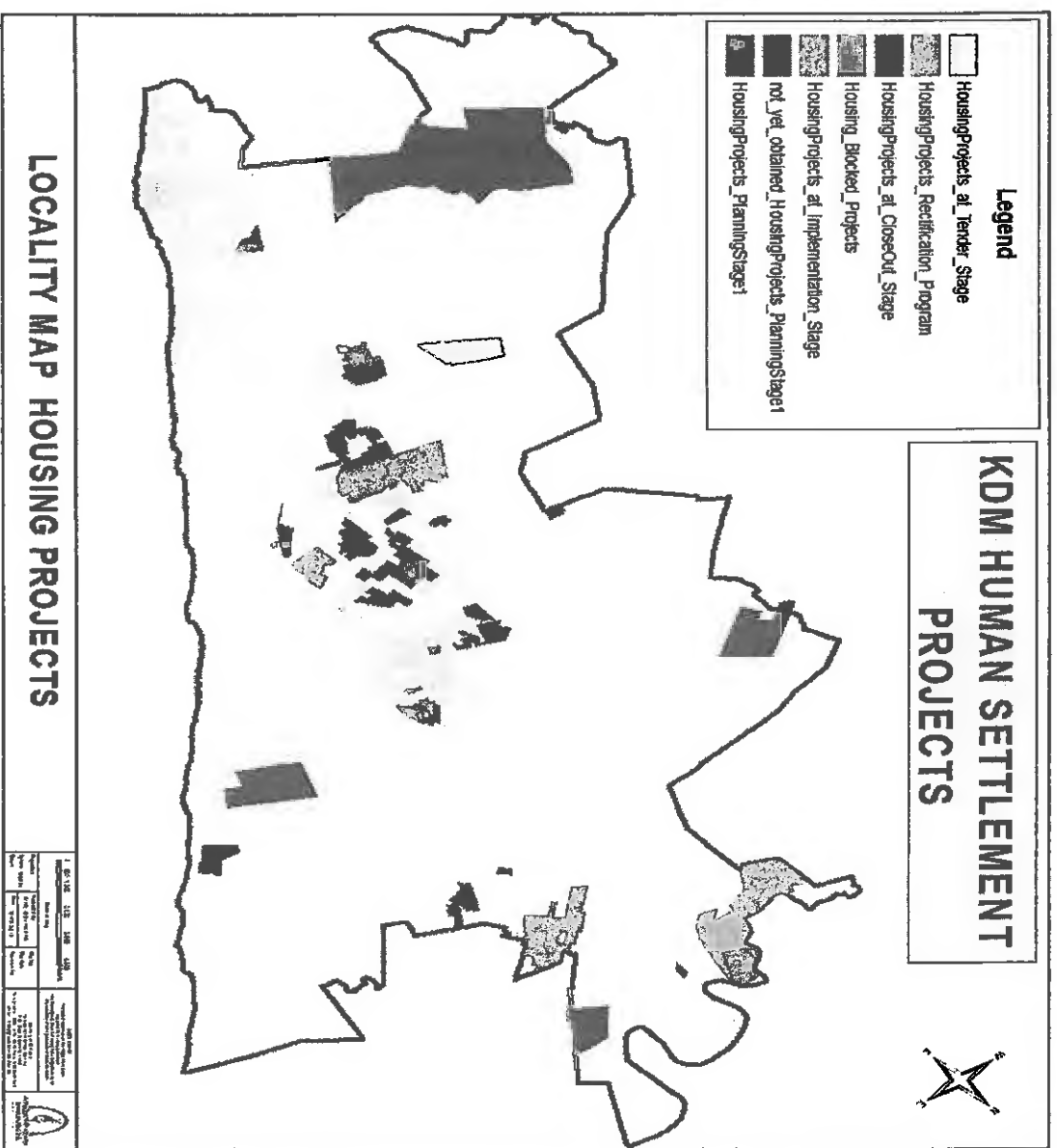
4.5.5. Electricity Needs and priorities

KwaDukuza Municipality has also resolved to establish the new ESKOM/KDM intake substation to be known as Dukuza 132/33 kV substation within the next two to three years to cater for the future load growth. The high level estimated cost provided by ESKOM for this substation is in excess of R100, 000,000. The assessment of the infrastructure determined that the age and condition of the majority of DC-Battery Charges and Batteries installed at major substations and switch rooms posed a great risk to the correct functioning of equipment protective devices. The DC-supply is used to energize the protection relays and control the tripping/ closing coils on all the 33 and 11 kV breakers. Phase one of the program to renew all such aged equipment has been completed and Phase two is beyond tender stage ready for installation. This project may carry forward to the new 2014/2015 financial year.

4.6. ACCESS TO COMMUNITY FACILITIES



4.7. HUMAN SETTLEMENTS



MAP 14 - HUMAN SETTLEMENT PROJECTS

4.6.1 HUMAN SETTLEMENTS

KwaDukuza is the economic hub of the Lembede district and because of this reason that most people from other parts of the Lembede district find it to their advantage to come and settle in KwaDukuza in pursuit of both housing and job opportunities. The current low income housing backlog in KwaDukuza is still high, but the Municipality is in the process of finalizing the delivery of the already constructed houses to owners. The natural growth in the area is in the region of 4%, and together with relatively small average household sizes, it leads to a situation where demands for new housing units are ever increasing. If housing delivery continues at its current pace, then the backlog will remain over a period of 10-15 years, and increase dramatically thereafter if delivery is not significantly increased. KwaDukuza Housing Demand Database suggests that the total housing backlog in KwaDukuza is sitting at 68000.

4.6.1.1. Challenges in housing provision

The scarcity of land to build houses.

In cases where land is available, the landowners are asking for extremely high prices.

There are landowners, who have regarded shack farming as an income generating activity and do so without providing basic services like water, sanitation, roads, etc. In most instances, these people are living in very squalor conditions. This then necessitates KwaDukuza Municipality to become proactive in providing decent living conditions for these people.

4.6.1.2. Financial Projections

For implementation of the current projects listed in the Human Settlement Programme, the municipality needs to acquire land for R59 million rand over the next 4 to 5 financial years; prepare for linkage of bulk and internal reticulation services to the value of over R2.5 billion rand. This equates to approximately R69 000 per low income housing unit at today's prices.

4.8. LEVEL 2 ACCREDITATION

KwaDukuza Municipality is one of the seven (7) municipalities in KwaZulu Natal that has been given a human settlements accreditation status. The level of accreditation for KwaDukuza Municipality is Level 2. The accreditation status is whereby the National and Provincial Department is delegating some of the human settlements development planning, approval and implementation to local municipality after the municipality has been independently assessed by the accreditation panel. KwaDukuza Municipality entered into Accreditation Implementation Protocol on the 7th of March 2013. This delegation is for

the period of three years and it is performance based. The municipality has been delegated these functions by the National and Provincial Department of Human Settlements:

- Subsidy budget planning and allocation, and priority programme management and administration, including:
- Housing subsidy budgetary planning functions across national housing programmes and projects;
- Subsidy allocations; and
- Project identification;
- This responsibility will be given to the Municipality once direct access to the Housing Subsidy System is secured.

The Programme management and administration, including:

- Programme and project evaluation and approval;
- Contract administration;
- Subsidy registration;
- Programme management including cash flow projection and management; and
- Technical quality assurance functions.

KwaDukuza Municipality has received grant funding from the Department of Human Settlements to build its own capacity to deliver on the new delegations. The process of filling the vacancies with highly qualified personnel is on-going.

4. BLOCKED HOUSING PROJECTS

KwaDukuza Municipality has a number of projects that are blocked because of various reasons. The municipality has been working with the Department of Human Settlements to unblock some of the projects and there is significant progress on this regards. Amongst the projects that fall under this category which has been progress on them include Senzangakhona, Chief Albert Luthuli, and Ethafeni.

With regards to the co-ordination with the service provider, the municipality co-ordinates the development of new houses with the services providers that have been appointed and recommended through Provincial and KDM's supply chain management processes.

4.10. HOUSING RECTIFICATION PROJECTS

KwaDukuza Municipality has a number of projects that have been identified as projects which need to be assessed and considered under rectification programme. These houses were built prior to 2003 and they were poorly build and not suitable for human beings. The National Housing Building Regulatory Council (NHBRC) has been appointed by Department of Human Settlements to make assessment of individual houses within identified project and make recommendations about its quality or workmanship. The NHBRC has completed Mbozamo Housing Project and they recommendations to demolish the first 255 houses have been made. Funding has been approved for this project and the project manager appointed. The project will be implemented over the period of two years. The other project which were identified and some of them assessed by NHBRC are as follows: Nkobongo Phase 1 and 2.

4.11. AFFORDABLE HOUSING

The municipality as part of its responsibility is implementing some projects to address the Gap Housing Project in our area and also private sector has been engaged to work on the same challenge. Rocky Park Project is one project that is currently under construction that has approximately 255 units. Gaza Strip project is currently selling its units off plan targeting the same market segment. The municipality will be appointing implementing agents to implement other two projects in the Council owned land in Shakaville and Vlakspuit. Standard Bank as part of our Neighborhood Development Grant project known as Woodmead Node, are currently constructing civil works for the 800 affordable units and also building show houses. This project will be implemented over the period of two years depending on the demand of houses.

4.12. SOCIAL HOUSING

KwaDukuza Municipality has identified strategic land parcels and took a resolution which declares those areas as potential restructuring zone in line with the Social Housing Act.

STRENGTHS	Exceptional Political support for service delivery. Existing staff qualified, loyal and committed. Financial position of KDM is sound thus ensuring access to loan
WEAKNESSES	Constraints in the timeous execution of the Supply Chain Management procedure. Excessive use of section 36 of SCM/MFMA regulations

4.14. HUMAN SETTLEMENTS SWOT ANALYSIS

Lack of land acquisition strategy for human settlements which lead Council to be on the mercy of the land owners.

projects.

Poor close out of projects which make the municipality to have a long list of projects which most of them are not real

Lack of human settlements density policy,

Lack of site size policy for low cost housing,

Lack of internal capacity to undertake pre-feasibility studies for housing projects.

Lack of council owned land for housing in Ballito make it impossible for Council to ensure integration of communities.

and demand side of housing.

There is on-going inward and outward immigration of people in KwaDukuza which causes more challenges on both supply

Projects concentrated in the hands of few service providers which impact negatively in housing delivery.

area.

research study. There is an urgent need for the municipality to commission a study on affordable housing demand in the

There is a perceive demand of affordable houses in KwaDukuza Municipal area and which is not informed by a scientific

upgrade and develop new infrastructure. This is contributing to the slow pace of housing delivery.

High standard is required on sanitation and water, whereas the water service authority does not have adequate budget to

4.13. CHALLENGES OF HUMAN SETTLEMENTS IN KDM

The municipality is in the process of ensuring that the proposed areas or sites are declared as restructuring zones by the National Minister of Human Settlements in order to unlock Social Housing projects.

RESTRUCTURING ZONE	AREAS
ZONE 1	KwaDukuza CBD, Rocky Park, Stanger Heights, Doctorskop, Blythedale Beach, and Hyde Park
ZONE 2	Shakaskraal, Umhali, Salt Rock, Ballito, Compensation and Greater Driefontein

PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	PROPOSED BUDGET 2016/17	INDICATIVE BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE
HS/001	Aldinville	10	R2 225 000.00	R2 225 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/002	Charltondale	10/11	R45 000 00.00	R0	R1 800 000.00	R2 700 000.00	KZN DOH GRANT FUNDING
HS/003	Chris Hani	15	R20 550 000.00	R2 250 000.00	R9 150 000.00	R9 150 000.00	KZN DOH GRANT FUNDING
HS/004	Chief Albert Luthuli	9/11/12/14&2	R37 000 00.00	R1 700 000.00	R2 000 000.00	R0	KZN DOH GRANT FUNDING
HS/005	Driefontein Phase 1	21	R19 156 000.00	R3 156 000.00	R7 400 000.00	R8 600 000.00	KZN DOH GRANT FUNDING

ECONOMIC DEVELOPMENT AND PLANNING DEPARTMENT

4.15. HUMAN SETTLEMENTS PROJECTS TO BE IMPLEMENTED IN THE NEXT THREE YEARS

TABLE 13 - HUMAN SETTLEMENTS SWOT ANALYSIS

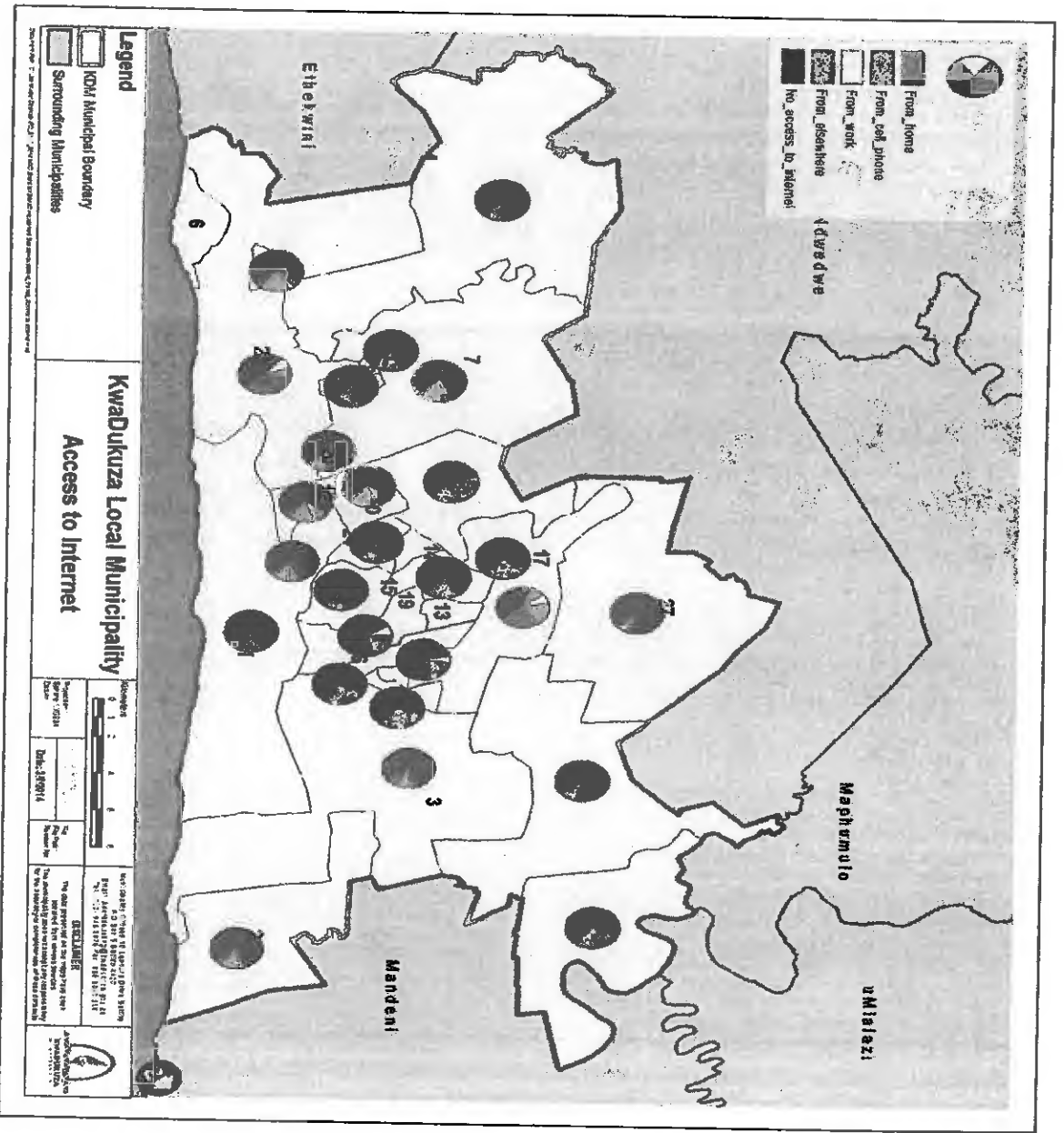
<p>THREATS</p> <p>Ave. 22% vacancies impacting on service delivery. Filling of vacancies takes too long. No understudy employees to fill critical posts. Backlog on infrastructure maintenance</p>	<p>OPPORTUNITIES</p> <p>Availability of external finance and grants. Availability of local labour. Popular geographic area and environment for development. Magnitude and nature of current developments. (Airport, residential, commercial and industrial) – increased customers – Electricity and Rates incomes Partake in tenders of other municipalities into SCM regulations.</p>
<p>Poor time keeping leading to low Productivity place No succession plan or career path advancement policies in Lengthy delays in the delivery of strategic infrastructure items meetings during working hours. Disruption of service delivery due to illegal work stoppages and commitment. The task job evaluation system results have created a dissatisfaction, de-motivated workforce undermining loyalty and Safety & Security of staff on after hour call-outs. Competitors for qualified staff offer higher salaries. Lack of affordable housing.</p>	<p>Master plans developed (Energy Master plan) & (Roads Master Plan - PH1), in process of being developed (Roads Master plan phase two)? Policies and Procedures developed and implemented.</p>

HS/006	Greater Driefontein Phase 2	21	R0	R0	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/007	Dube Village	10/12	R0	R0	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/008	Dube Village Extension	10/12	R16 630 00.00	R0	R831 500.00	R831 500.00	R0	R0	KZN DOH GRANT FUNDING
HS/009	Ethareni	12	R2 431 000.00	R2 431 000.00	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/010	Eisheni/Njekane P2	11	R15 450 000.00	R14 850 000.00	R300 000.00	R300 000.00	R300 000.00	R0	KZN DOH GRANT FUNDING
HS/011	Extension 36	5	R33 150.00	R33 150.00	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/012	Extension 46	5	R36 550.00	R36 550.00	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/013	Elite Phase 4	7/20	R20 550 000.00	R2 250 000.00	R9 150 000.00	R9 150 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/014	Gaza Strip	5	R10 491 999.99	R3 497 333.33	R3 497 333.33	R3 497 333.33	R0	R0	KZN DOH GRANT FUNDING
HS/015	Gledhow Compound	15	R33 260 00.00	R0	R1 663 000.00	R1 663 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/016	Hangoes	9	R33 260 00.00	R0	R1 663 000.00	R1 663 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/017	Hyde Park Country Estate	11	R0	R0	R1 350 000.00	R3 000 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/018	Kwatwele	3	R3 326 000.00	R0	R1 663 000.00	R1 663 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/019	Lindela 303 Sites	5	R0	R0	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/020	Lindela 272 Sites	5	R0	R0	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/021	Lloyds	14	R3 630 000.00	R1 800 000.00	R9 150 000.00	R9 150 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/022	Madundube	27	R1 180 1800.00	R0	R1 800 000.00	R1 800 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/023	Mellowood Park	22	R33 260 00.00	R0	R1 663 000.00	R1 663 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/024	Mbozamo	18	R8 000 000.00	R4 000 000.00	R4 000 000.00	R4 000 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/025	Mgijimbe	9	R20 850 000.00	R2 700 000.00	9 150 000.00	R9 000 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/026	Mnyundwini P5	9	R14 000 00.00	R1 000 000.00	R200 000.00	R200 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/027	Monkey Town	17/18	R48 260 00.00	R1 500 000.00	R1 663 000.00	R1 663 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/028	Nkongo P1	8	R2 550.00	R2 550.00	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/029	Nkongo P2	8/22	R2 550.00	R2 550.00	R0	R0	R0	R0	KZN DOH GRANT FUNDING

HS/030	Nonoti Mouth	3	R4 950 000.00	R0	R 2 250 000.00	R2 700 000.00	KZN DOH GRANT FUNDING
HS/031	Nyathikazi	3	R15 450 000.00	R 3 900 000.00	R2 250 000.00	R9 300 000.00	KZN DOH GRANT FUNDING
HS/032	Nishaweni	26	R20 100 000.00	R1 800 000.00	R9 150 000.00	R9 150 000.00	KZN DOH GRANT FUNDING
HS/033	Ohlange San Souci	25	R33 260 00.00	R0	R1 663 000.00	R1 663 000.00	KZN DOH GRANT FUNDING
HS/034	Rocky Park	19	R393 2000.00	R2 232 000.00	R1 700 000.00	R0	KZN DOH GRANT FUNDING
HS/035	Sakhamkha nya Phase 1	1	R300 500 00.00	R9 300 000.00	R11 500 000.00	R9 250 000.00	KZN DOH GRANT FUNDING
HS/036	Senzangakhona	18	R688 000.00	R688 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/037	Shakashead Phase 1	4	R516 000.00	R516 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/038	Shakashead Phase 2	4	R595 850.01	R198 616.67	R198 616.67	R198 616.67	KZN DOH GRANT FUNDING
HS/039	Shakaville Ext	18	R688 000.00	R688 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/040	Shayamoya	23	R516 000.00	R516 000.00	R0	R0	KZN DOH GRANT FUNDING
HS/041	Sihle Pakhati	24	R20 100 000.00	R1 800 000.00	R9 150 000.00	R9 150 000.00	KZN DOH GRANT FUNDING
HS/042	Sokesimbon e	1,25	R23 110 000.00	R11 760 000.00	R 7 840 000.00	R3 510 000.00	KZN DOH GRANT FUNDING
HS/043	Steve Biko P1	13,26	R0	R0	R0	R0	KZN DOH GRANT FUNDING
HS/044	Steve Biko P2	13,26	R50 790 000.00	R21 590 000.00	R14 000 000.00	R15 200 000.00	KZN DOH GRANT FUNDING
HS/045	Umvoti Toll	12	R13 760 00.00	R0	R688 000.00	R688 000.00	KZN DOH GRANT FUNDING
HS/046	Vlakspruit	23	R13 760 00.00	R0	R688 000.00	R688 000.00	KZN DOH GRANT FUNDING
HS/047	Furniture and Equipment		R125 000.00	R75 000.00	R50 000.00	R0	KDM CAPITAL BUDGET
HS/048	Fencing Old Age Home		R0	R0	R0	R0	KDM CAPITAL BUDGET
HS/049	Renovation to Old Age Homes		R0	R0	R0	R0	KDM CAPITAL BUDGET
HS/050	Tools and Equipment		R35 000.00	R15 000.00	R20 000.00	R0	KDM CAPITAL BUDGET
HS/051	Air conditioner		R50 000.00	R50 000.00	R0	R0	KDM CAPITAL BUDGET
HS/052	Shakaville Men's Hostel Renovations		R0	R0	R0	R0	KDM CAPITAL BUDGET

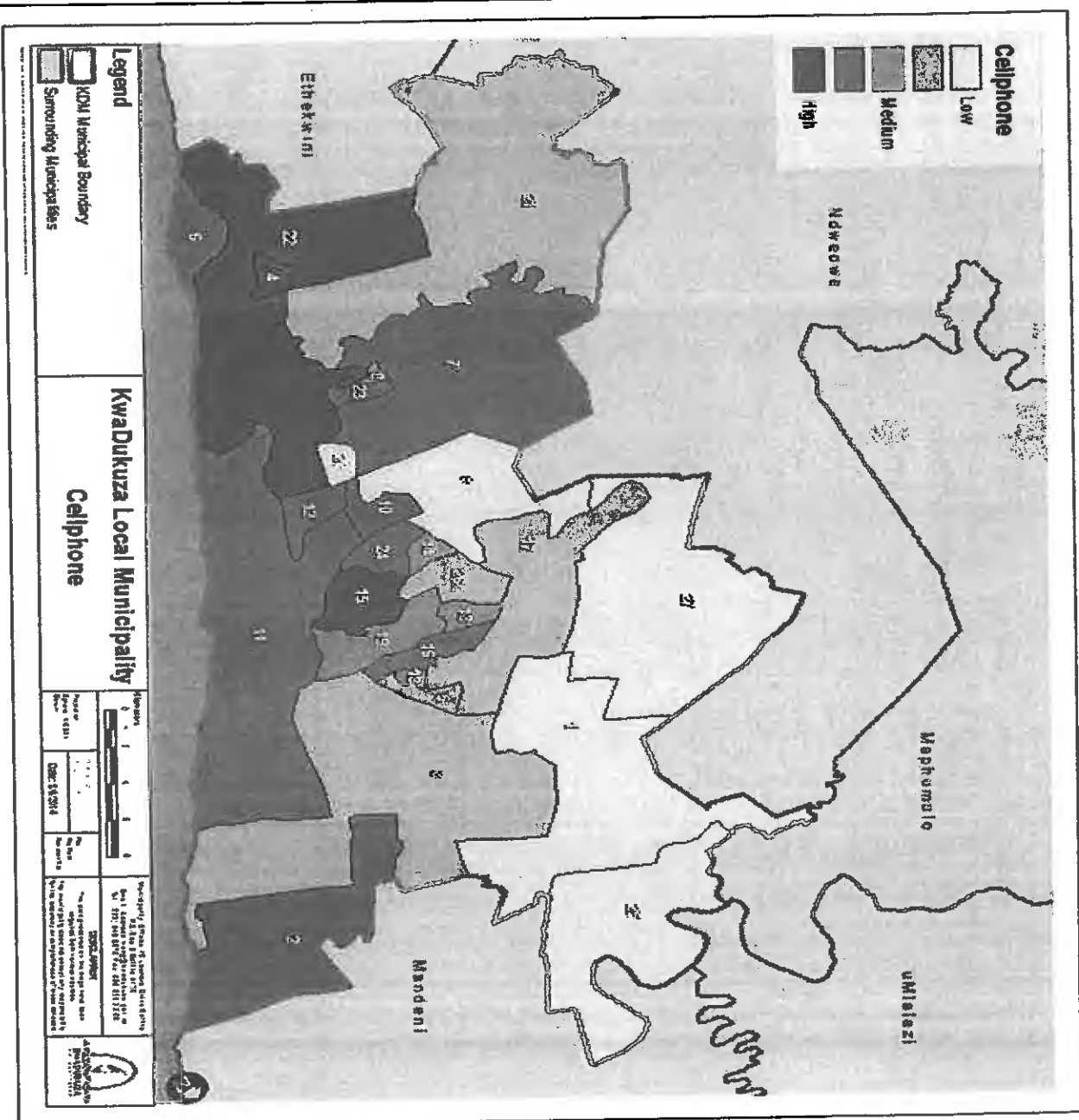
HS/053	Shakaville Women's Hostel Renovations		R0	R0	R0	R0	KDM CAPITAL BUDGET
HS/054	PC & Printer Upgrades		R150 000.00	R60 000.00	R90 000.00	R0	KDM CAPITAL BUDGET
HS/055	Renovations to Compound		R0	R0	R0	R0	KDM CAPITAL BUDGET
HS/056	Vehicle(Sed an)		R0	R0	R0	R0	KDM CAPITAL BUDGET

4.16. TELECOMMUNICATIONS

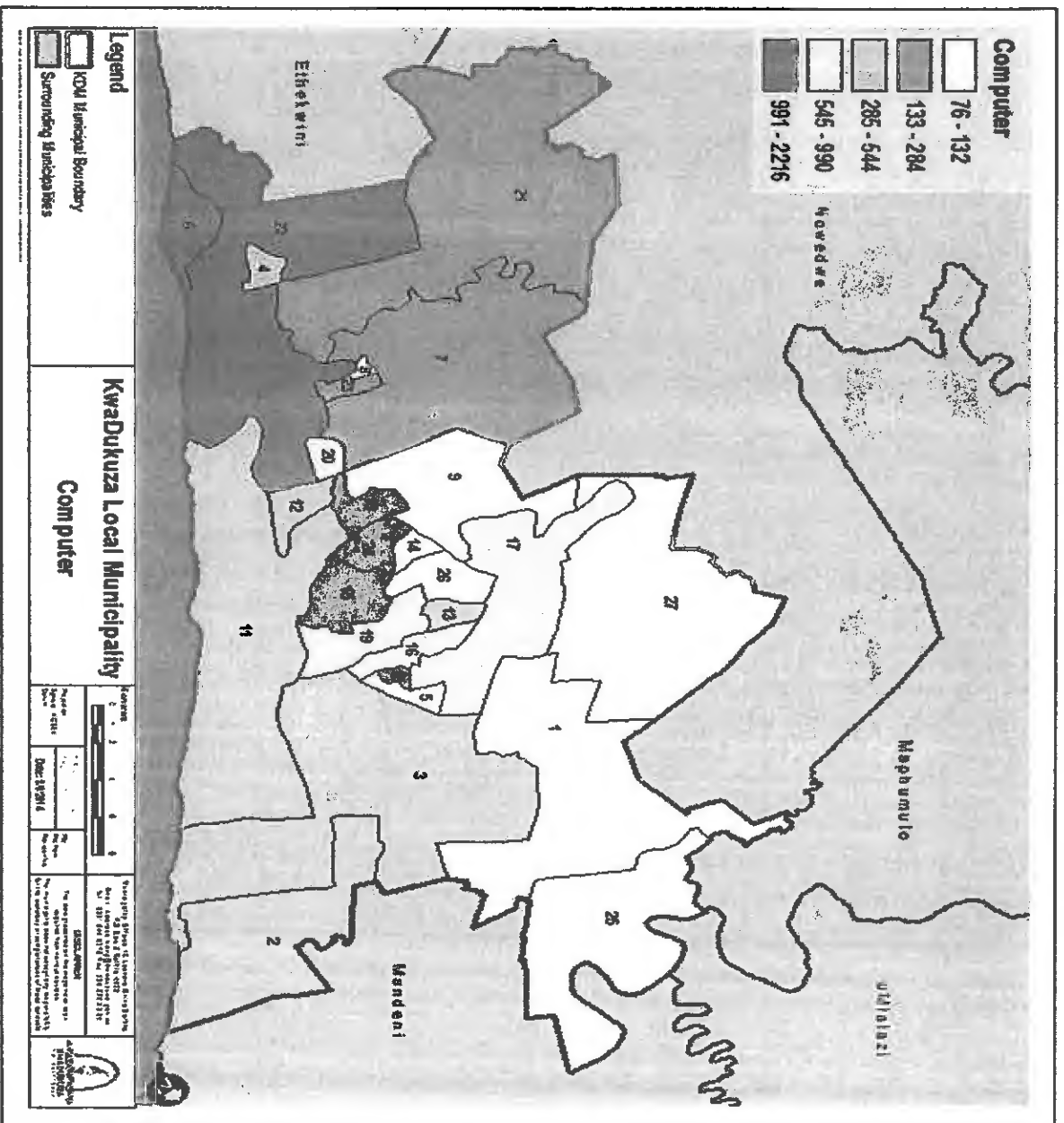


MAP 15 - ACCESS TO INTERNET

MAP 16 - ACCESS TO CELLPHONE



MAP 17 - ACCESS TO COMPUTER



4.17. AUDIT RESPONSE

In 2015/2016 financial year KwaDukuza Municipality received unqualified report with a few matters of emphasis. In response to concerns raised in Auditor General's report, KDM management developed an action plan in order to address concerns.

4.18. SERVICE DELIVERY AND SWOT ANALYSIS

<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Constraints in the timely execution of the Supply Chain Management procedure. • Excessive use of section 36 of SCM/MFMA regulations • Ave. 22% vacancies impacting on service delivery. • Filling of vacancies takes too long. • No understudy employees to fill critical posts. • Backlog on infrastructure maintenance. 	<p>STRENGTHS</p> <ul style="list-style-type: none"> • Exceptional Political support for service delivery. • Existing staff qualified, loyal and committed. • Financial position of KDM is sound thus ensuring access to loan funding. • Master plans developed (Energy Master plan) & (Roads Master Plan - PH1), in process of being developed (Roads Master plan phase two) • Policies and Procedures developed and implemented.
<p>THREATS</p> <ul style="list-style-type: none"> • Competitors for qualified staff offer higher salaries. • Safety & Security of staff on after hour call-outs. • Disruption of service delivery due to illegal work stoppages and meetings during working hours. • Lengthy delays in the delivery of strategic infrastructure items • No succession plan or career path advancement policies in place • Poor time keeping leading to low Productivity 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Availability of external finance and grants. • Availability of local labour. • Popular geographic area and environment for development. • Magnitude and nature of current developments. (Airport, residential, commercial and industrial) – increased customers – Electricity and Rates incomes • Partake in tenders of other municipalities into SCM regulations.

C5. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

5.1. LED STRATEGY/PLAN

KwaDukuza Municipality's LED strategy was developed by the consultants but has not been reviewed yet. However for the formulation of 2015 Ilembe LED strategy, KwaDukuza Municipality's LED strategy was considered. This therefore suggests that the process of formulating the District Municipality's 2015 LED strategy reflects the bottom up approach adopted where the District LED was formulated on the KDM's LED strategy.

5.2. STAKEHOLDER PARTICIPATION

Stakeholder identification and consultation was carried out throughout the Municipality. The following were some of the stakeholders that were engaged in the review process:

- 1) Formal Business Representatives;
- 2) SMMEs & Informal Sector Representatives;
- 3) Farming Community;
- 4) Tourism Sector Players;

5.3. LED PROFILE

The following section presents the economic analysis which includes economic drivers in the municipality reflecting its current performances to the local economic growth and development.

5.3.1. MAIN ECONOMIC CONTRIBUTORS

5.3.1(A). Small Medium and Micro Enterprises (SMME'S)

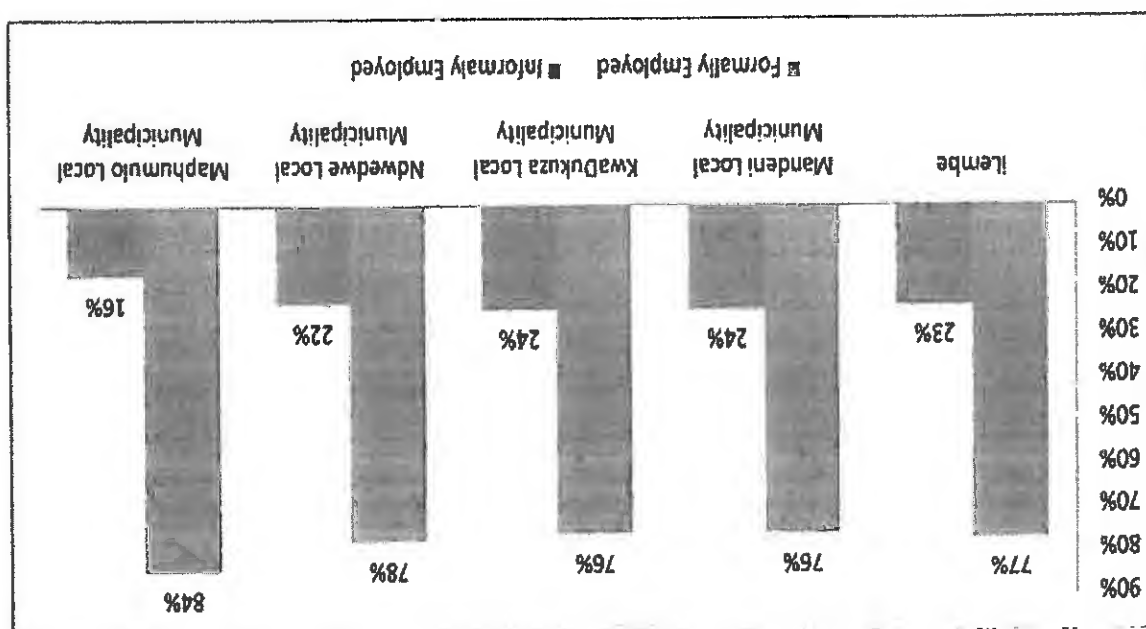
Ilembe District's SMMEs status below displays the distribution of formal and informally employed persons in each of the local municipalities. In Ilembe, about 23% of the working age population are informally employed, while approximately 77% are formally employed, with KwaDukuza M municipality being one of the municipalities with the highest figure in the informal employment category which is 24%

Vineyard and Winery Project: this project is mainly focusing on development of wine production in the north coast, the pilot started in 2010 with three vineyards successfully planted, harvested and processed in a cooperative winery situated in Ballito. For long term sustainability, Enterprise Ilembe is developing plans to expand the vineyards and add other wine cultivars to the current Villard Blanc. In addition, a marketing plan that includes turning both the winery and vineyards into a tourist destination is being developed

Sugar Cane Farming: sugar is still the main commercial agricultural crop in the municipality. Due to developments along the N2 route, land for sugar cane farming is being reduced. To compensate for this loss, Government is supporting the industry in reviving old developing new sugar cane farms in other part of the District. These are mainly the traditional parts of the District. Supporting agricultural activities include forestry, fruit and vegetables farming, tunnel farming and fresh cut flowers and a number of agricultural projects have been implemented through Enterprise Ilembe.

5.3.1 (B). Agriculture

Source: Quantec Regional Dataset, 2012



Hydroponic Tunnels Project: Out of the 8 hydroponic tunnels established and spread across in all four local municipalities, KwaDukuza received two tunnels. Previously this project mainly focused on high value crops such as patty pants, peppers, and cucumbers. According to Ilembe DM's IDP there is now a plan to grow those crops required in the National Schools Nutrition Programme (NSNP). These crops are said not grow easily on open fields in the district namely, tomatoes and onions. In addition, Enterprise Ilembe is raising funding to build an additional 12 new greenhouses which will ensure economies of scale and long term sustainability of this project. Besides the NSNP, the Department of Health and other private sector food manufacturers have approached Enterprise Ilembe to source more vegetables from the District. This will generate more jobs and create a critical mass of agricultural skills in the District.

5.3.1.(C). Tourism

In order to ensure that we continue to assist in the development of tourism with the aim to geographically spread the benefits of tourism as well as to encourage transformation in the sector, Enterprise Ilembe has been facilitating and implementing the following:

5.3.1.(D). KwaDukuza CTO Establishment Support

As part of ensuring that tourism is driven by the sector as the Tourism Act requires, all local municipalities are required to have a Community Tourism Organisation (CTO) especially in areas where tourism is active. Enterprise Ilembe has been working with the KwaDukuza Municipality in assisting it to establish its CTO. An interim committee is in place which includes participation from Enterprise Ilembe. A draft constitution is now available and the next step is public consultation before the CTO can be formally established.

- Blue Flag Beach support – KwaDukuza & Mandeni
- Wow! Zulu MarketPlace Establishment
- Sangweni Integrated Craft Hub Management

In KwaDukuza, the current profile of tourism also includes primarily the beaches. Their growth will be dependent on improving the beach infrastructure and regaining and maintaining the "blue flag" international quality standards. The introduction and hosting of events such as Ballito Street heroes and Ballito Pro remain the key priorities for this sector.

Tourism sector could be the drive in increasing the participation of communities, by establishing a Community owned Cultural Zulu Craft Village; thereby creating extra income stream that will help the sustain the community.

5.3.1. (E). Manufacturing

KwaDukuza is ideally placed on the Richards Bay corridor to benefit from manufacturing. However agriculture is a leading sector in the industry but is severely under pressure due to national and international market conditions. The compensation/ Ballito area north of the new King Shaka International Airport has been identified as likely economic opportunity zone, for light industry due to its proximity to the Dube Trade Port and Durban. KwaDukuza town surrounds has been identified as a site for medium sized industry.

5.3.1. (F). Retail and ICT

The SEACOM submarine telecoms cable systems connecting South Africa to the rest of Africa has two landing points in Mtunzini close to Ilembe and the Western Cape. This technology gives KwaDukuza access to high speed internet and makes distribution viable. This cabling allows Ballito and the North Coast to become an information technology hub.

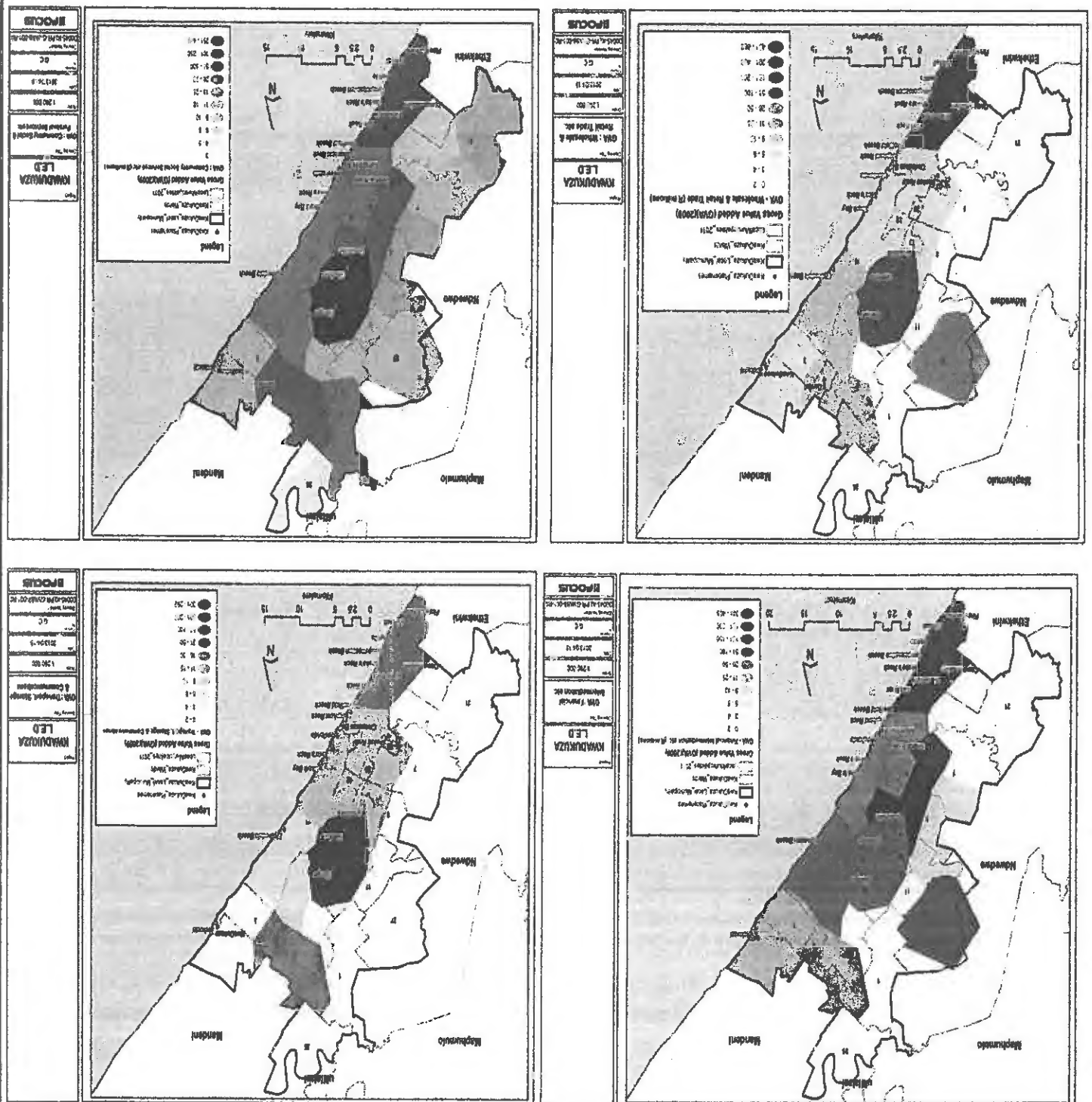
5.3.1 (G). Partnership with Swiss Government

The Swiss Government has partnered with Ilembe District Municipality, KwaDukuza Municipality on a programme for Local Economic Development. The purpose of the programme is to contribute to the improvement of the quality of life of KwaDukuza communities. The programme includes a series of interventions to build capacity for the local economic activities, job creation and urban development.

5.1. 4. INTERVENTIONS AND PROGRAMMES/ PROJECTS (GEOREFERENCED)

The spatial distribution of service sectors is illustrated in the maps below.

FIGURE 12----: ILLUSTRATION OF SPATIAL DISTRIBUTION OF SERVICE SECTORS

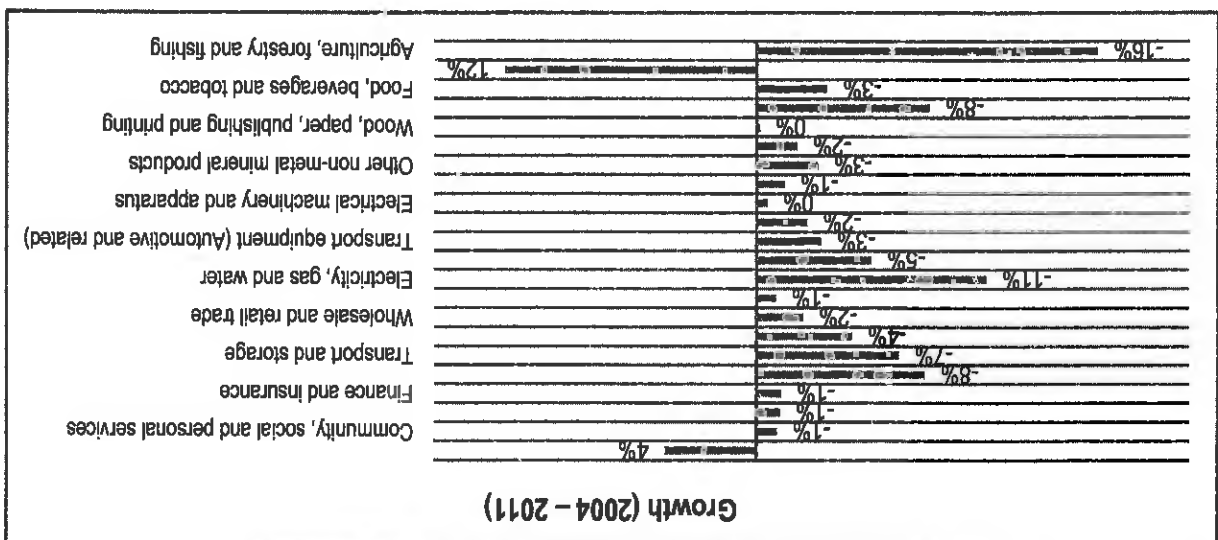


5.5. SOCIAL STABILITY IN KDM LOCALITY

5.5.1. ECONOMIC INDICATORS

5.5.1. (A). Employment Sector

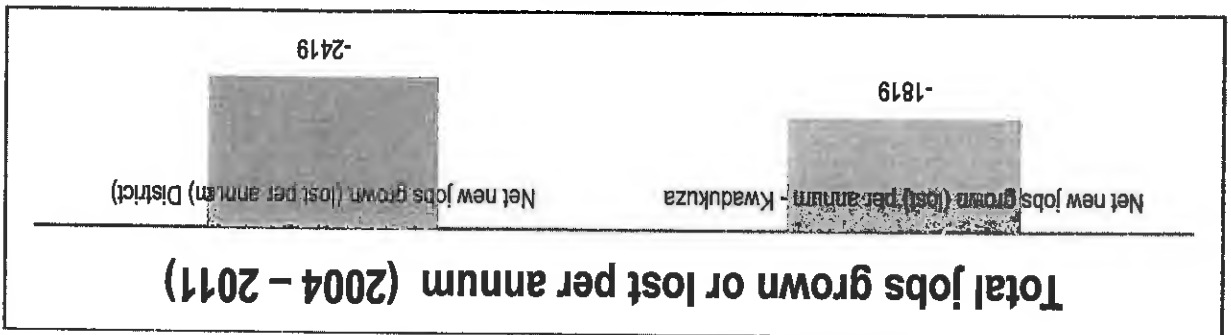
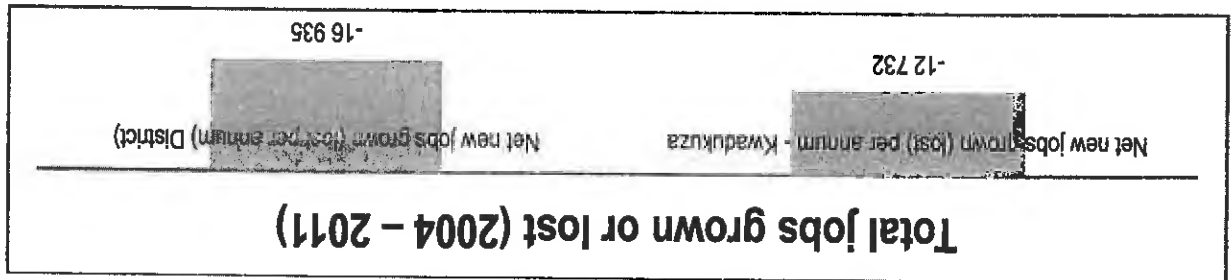
An assessment of employment data supplied by Quantec, illustrates that only two sectors of the economy provided job growth prospects over the period 2004 – 2011. These were in the public sector as well as the mining and quarrying industries. Significant job losses occurred in the agriculture, textiles, utilities, and transport and communications sectors.



Source: Draft KDM LED Strategy – Situational Analysis Report

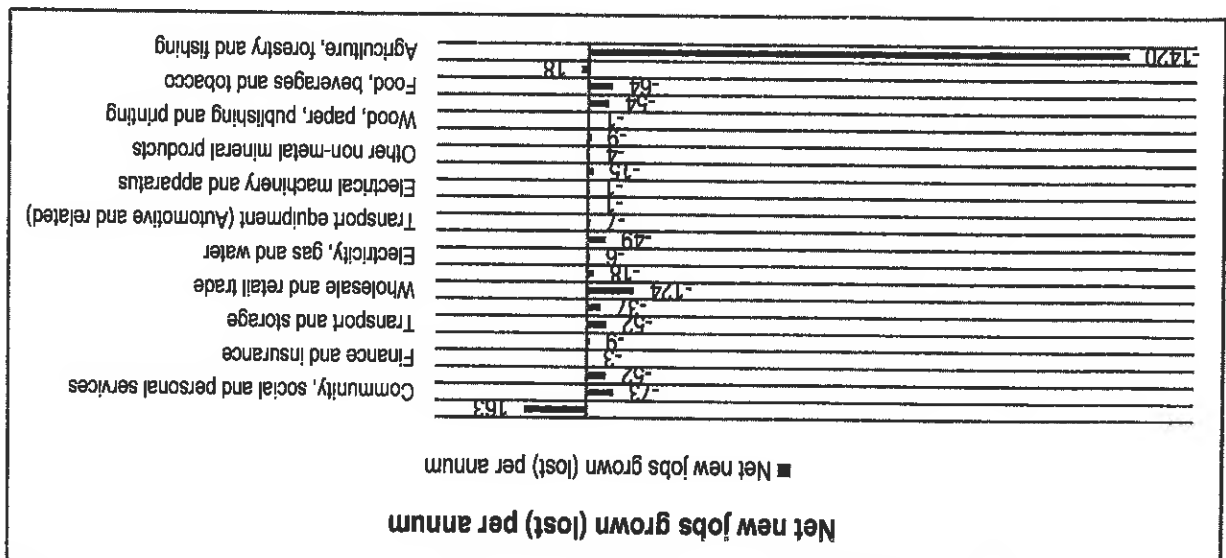
5.5.1 (B). New Jobs Created per Annum (2004 – 2011)

The net new jobs created per annum in the public sector (2004 – 2011 period) averaged at 163 jobs per annum whilst 18 were created in the mining and quarry sector on average per annum. The agricultural sector shed the most jobs at 1420 job losses per annum over the 7 year period.



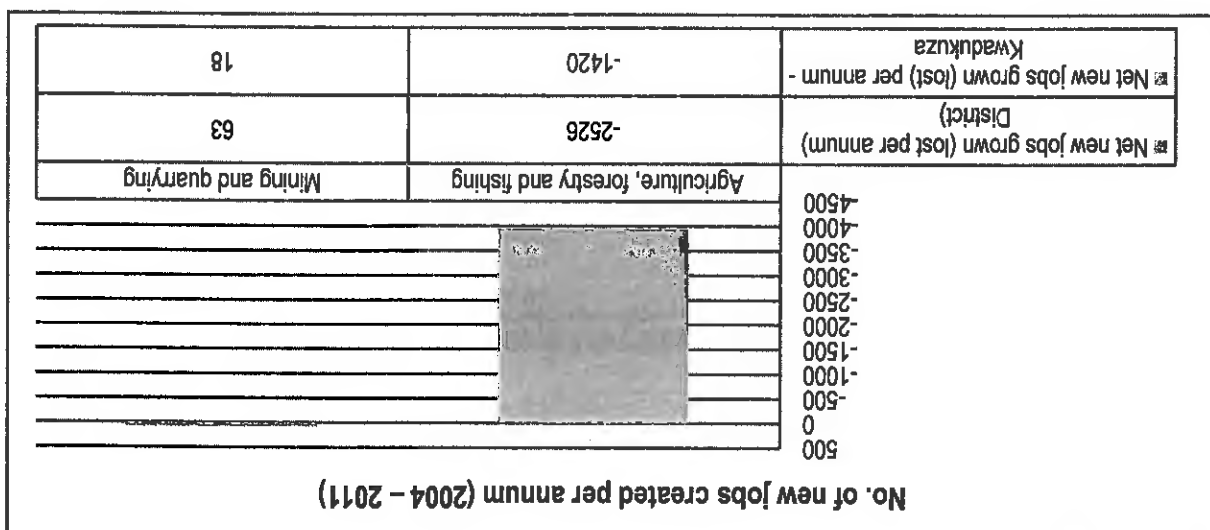
In terms of total net new jobs grown or lost per annum, it is quite disturbing to note that on average Kwadukuza lost at least 1819 jobs per annum whilst the District a starking 2419 jobs per annum. In total, the local municipality lost 12,732 jobs in the formal sector from 2004 to 2011.

5.5.1. (C). Overall Comparatives with the District



5.5.1. (D). Primary Sector Comparatives Net New Jobs (2004 – 2011)

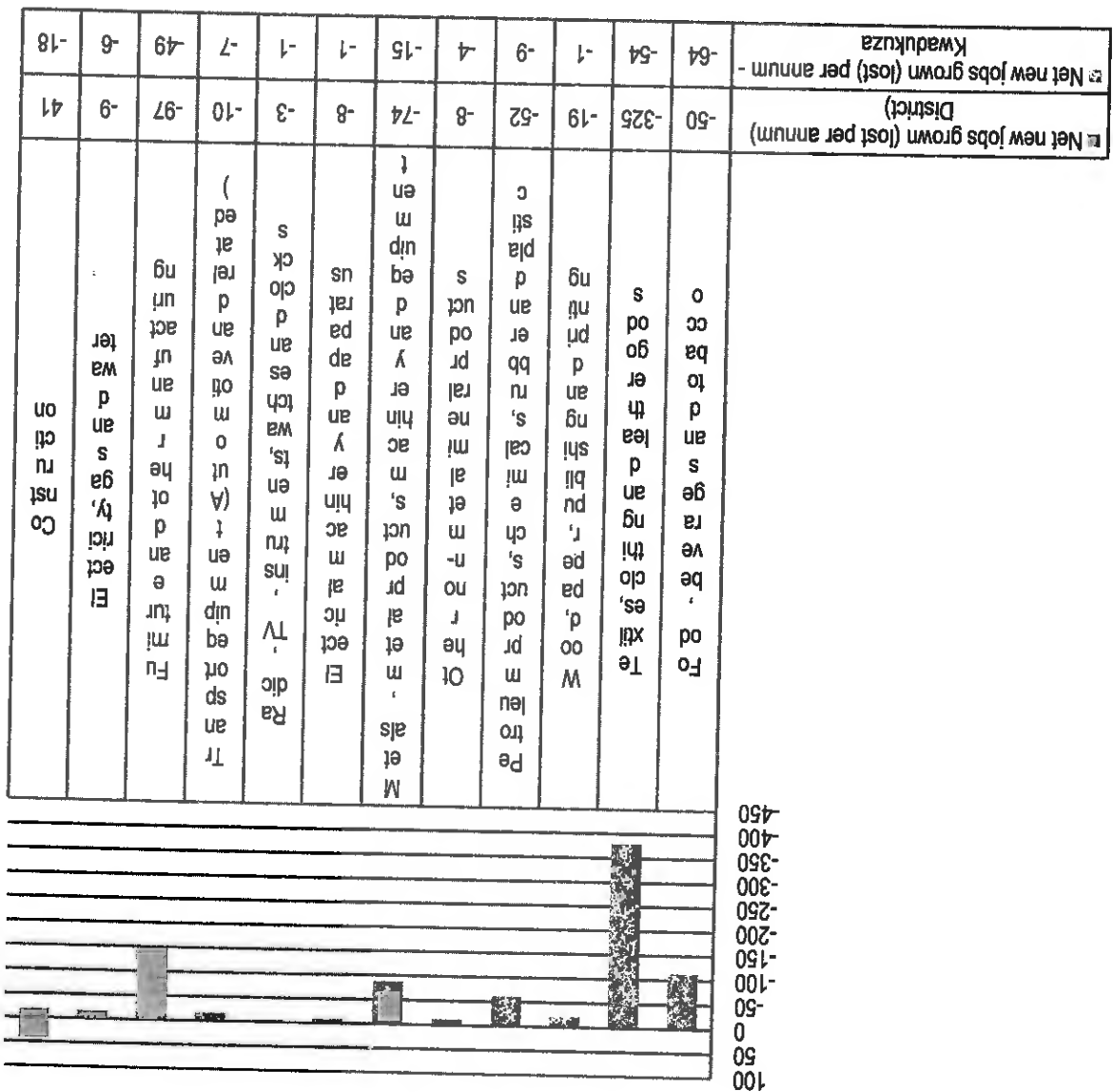
As previously noted that mining sector provided some relief as significant job losses were experienced in the agricultural sector.



5.5.1. (E). Secondary Sectors – Net New Jobs per annum (2004-2011)

Within the secondary sectors, the construction sector provided some relief however only at the District level at 41 net new jobs per annum whilst Kwadukuza lost on average 18 jobs per annum in construction. The largest losses were incurred in the Textiles, clothing and furniture manufacturing sectors.

Source: Draft KDM LED Strategy – Situational Report



No. of jobs created per annum per sector

5.5.1. (F). Tertiary Sector Net New Jobs per Annum (2004-2011)

Whilst the primary and secondary sectors were shedding employment, some relief was provided through gains in the public sector employment. Other improvements at the District level in job creation was exhibited in the Retail, Finance and Business services sectors.

No. of job created per annum per sector		2004-2011	
Sector	Sub Sector	Net new jobs grown (lost) per annum	Net new jobs grown (lost) per annum - Kwadukuza
		Net new jobs grown (lost) per annum	Net new jobs grown (lost) per annum - Kwadukuza
Wholesale and retail trade		34	-124
Catering and accommodation services		-24	-37
Transport and storage		-41	-52
Communication		-10	-9
Finance and insurance		56	-3
Business services		312	-52
Community, social and personal services		-127	-73
General government		459	163

Source: Draft KDM LED Strategy – Situational Report

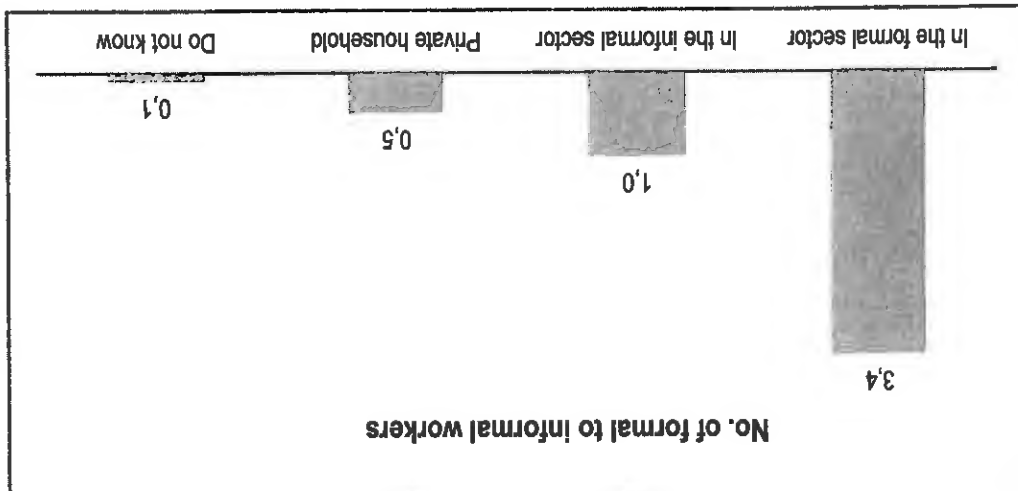
5.5.1 (G). Informal Employment

In terms of the informal sector approximately 13,850 people earn a living within this sector. A further 6677 people are employed in private households or as domestic servants. For every one person employed in the informal sector 3.4 people are employed in the formal sector. There are approximately 70,284 households in the local municipality implying that there are just under 1 job per household. Employment in both formal and informal sectors equate to 68418 people.

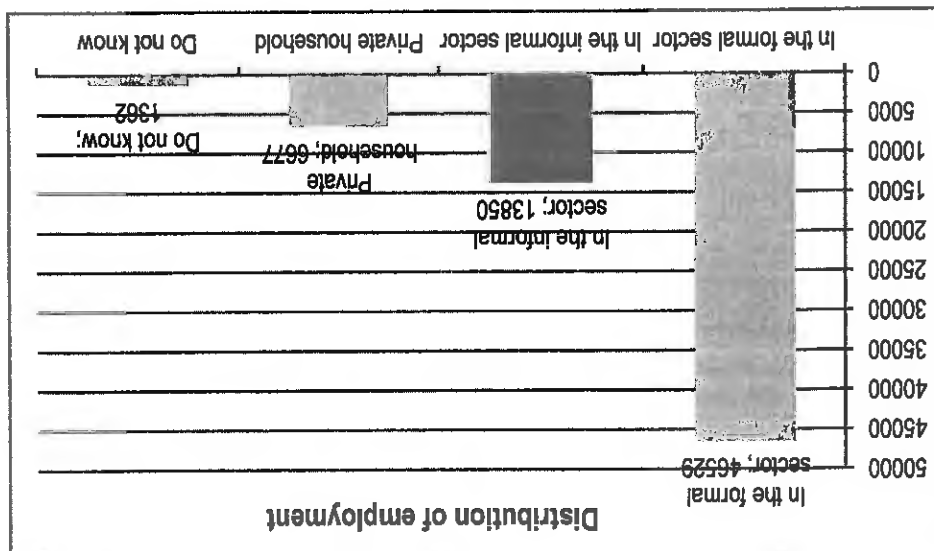
An assessment of the distribution of unemployment indicates that most unemployment is concentrated within KwaDukuza region whilst greater employment concentrations are closer to Ballito.

5.5.1. (H). Unemployment Distribution

Source: Draft KDM LED Strategy – Situational Report



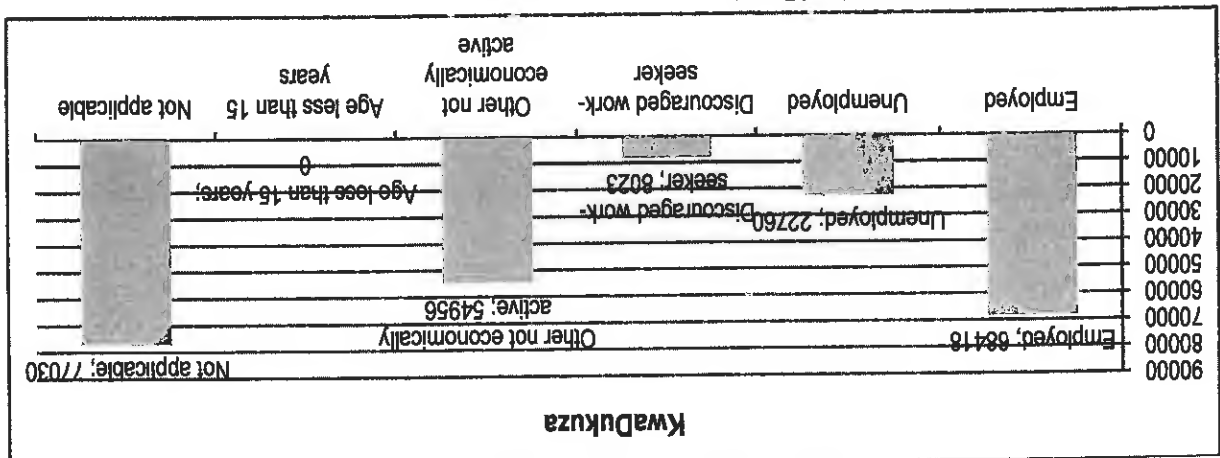
Source: Draft KDM LED Strategy – Situational Report



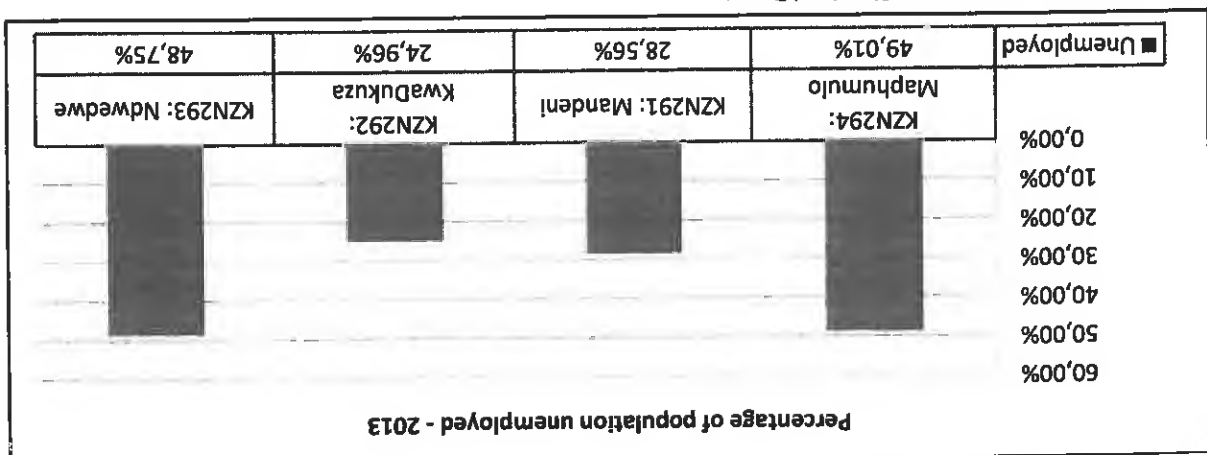
An assessment of GVA from 2004 – 2011 indicates that the Services sector has gained significant momentum over the last 16 years. At the same time agriculture activity has stabilised and manufacturing GVA grown marginally. The Economic base for Services sector was established and gained momentum in the 1995 – 2004 period.

5.5.1 (i). GVA Growth (Aggregate Level)

Source: Draft KDM LED Strategy – Situational Report

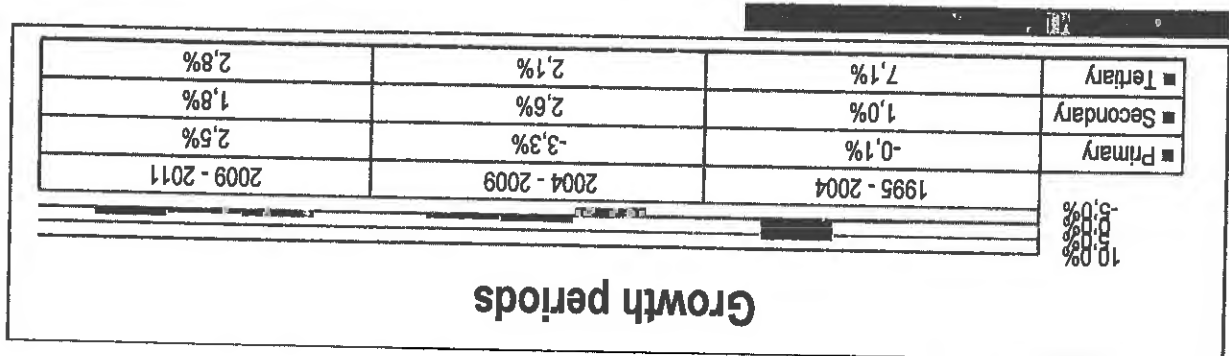


Source: Draft KDM LED Strategy – Situational Report

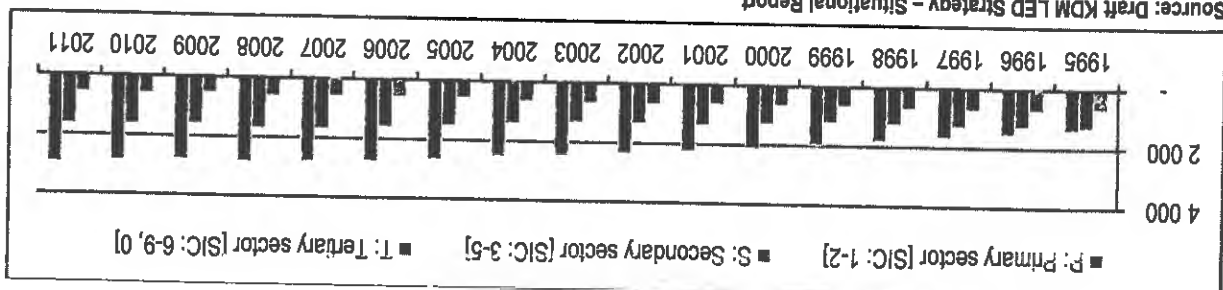


5.5.1. (J), GVA GROWTH PER SECTOR

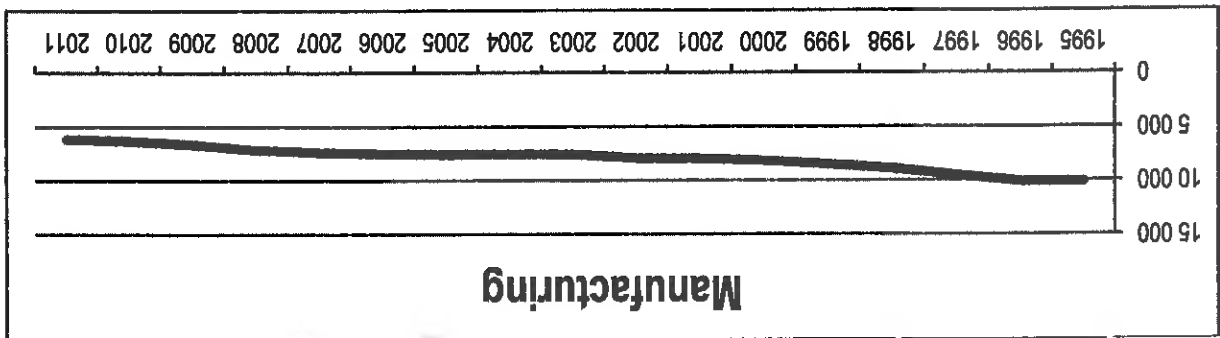
The growth rates for all sectors shows that the best performing sectors are electrical machinery; construction; and catering. On the other hand these sectors experience job losses in the same period. Major decline was experienced in the utilities sector; followed by mining and transport sectors.



Source: Draft KDM LED Strategy – Situational Report



Source: Draft KDM LED Strategy – Situational Report



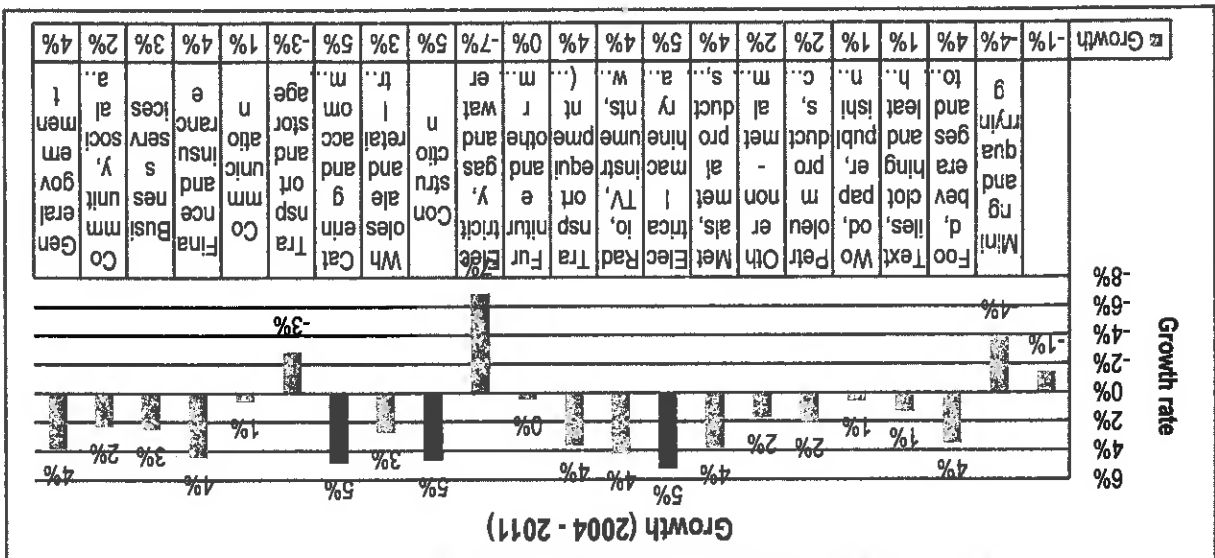
The manufacturing sector is currently under threat.

recession in 2009.

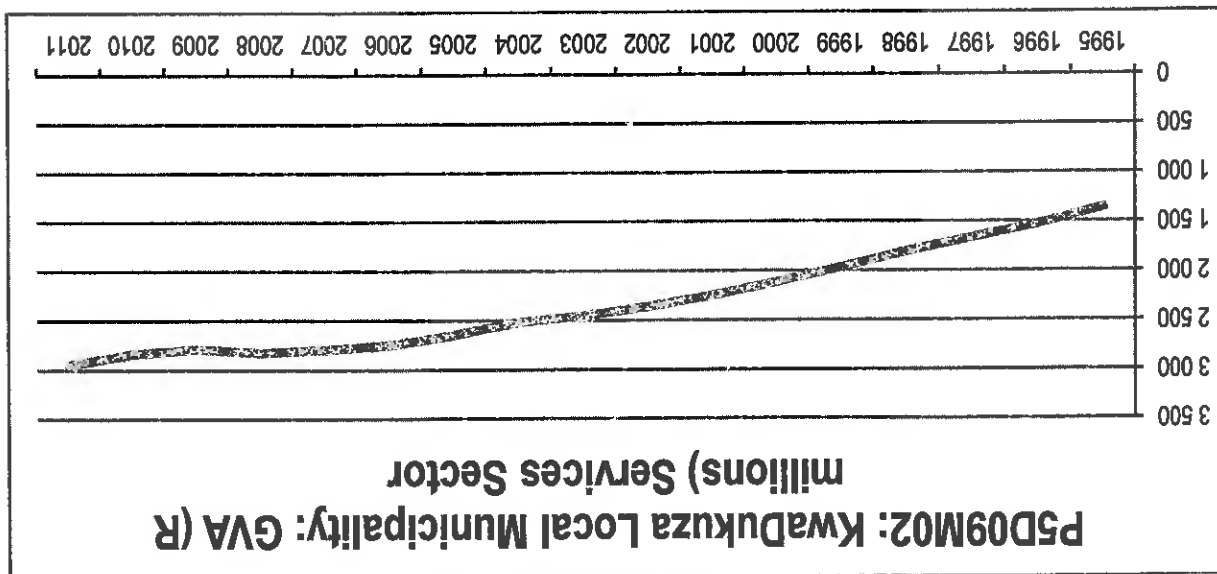
The data illustrates cyclical movements in growth with major job losses affected during the peak of the global economic

5.5.1 (H). MANUFACTURING YEAR ON YEAR GROWTH PER SECTOR

Source: Draft KDM LED Strategy – Situational Report



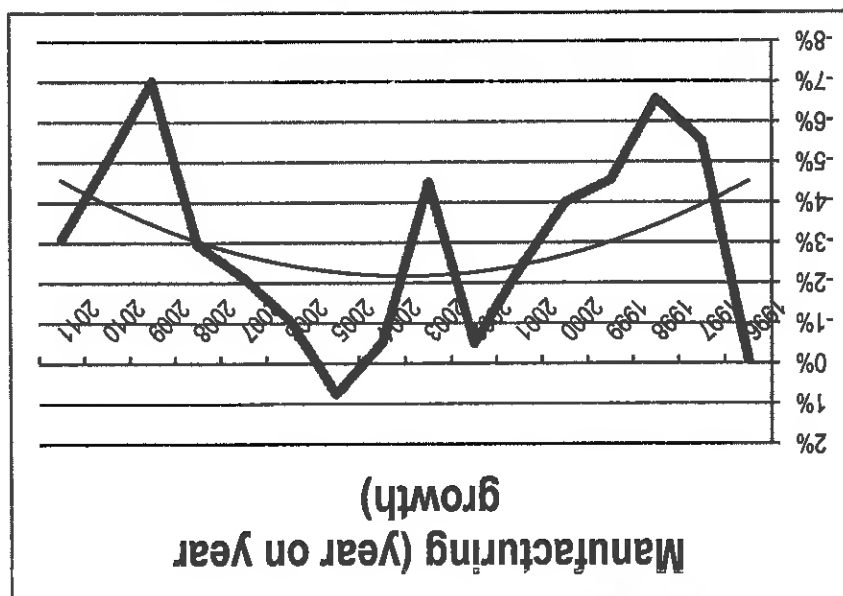
Source: Draft KDM LED Strategy – Situational Report



The graph below shows rapid growth of some 4.9% of the services sector over the period 1995-2011.

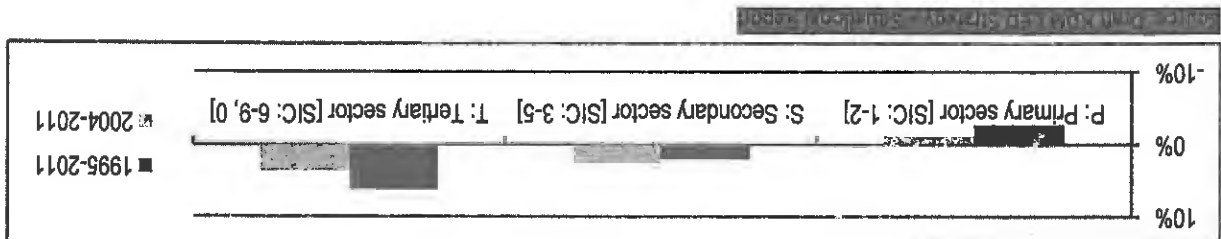
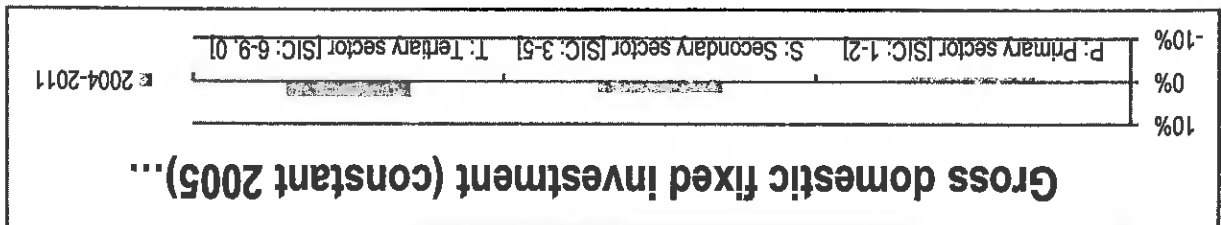
5.5.1.(i) DETAILED ECONOMIC SECTORS – GVA GROWTH SERVICES SECTOR

Source: Draft KDM LED Strategy – Situational Report



5.5.1. (J), GROSS DOMESTIC FIXED INVESTMENT

From an investment perspective, most improvements were felt within the services sector with overall reduction in investment over the long term felt in the agricultural sectors. There has however been some slowdown in services sector investment in the last 6 years whilst being the largest investment sector.



5.5.1.(K). FORMAL EMPLOYMENT PER HH COMPARED

A comparative analysis with national, provincial, and local shows that Kwadukuza is reaching jobless situation similar to that of the KZN and national standards.

Source, Stats SA 2011

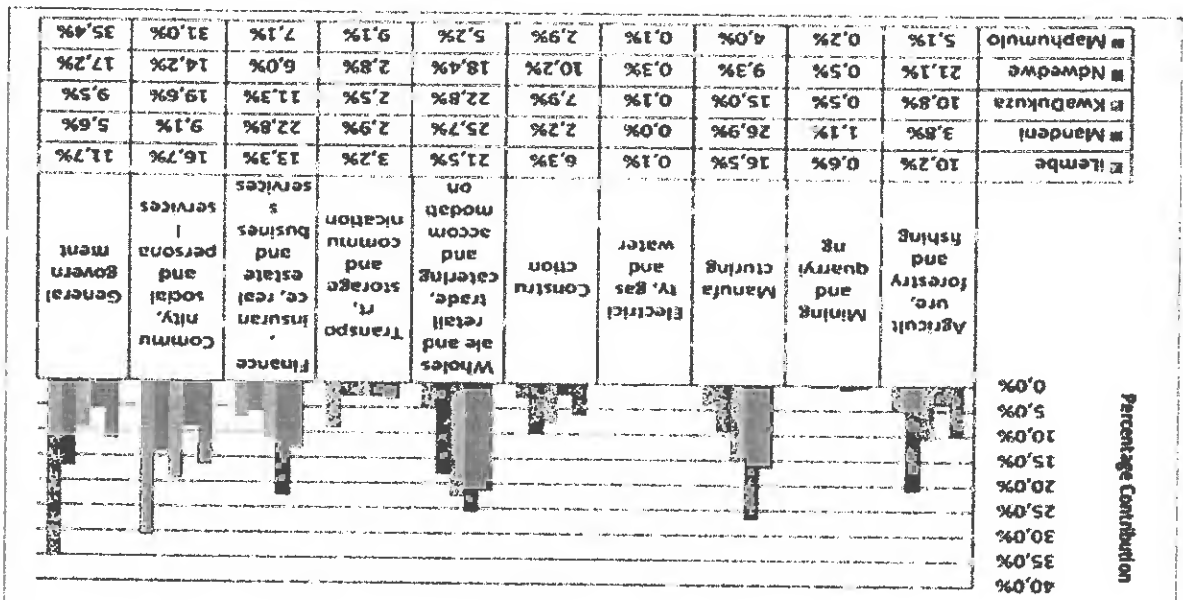
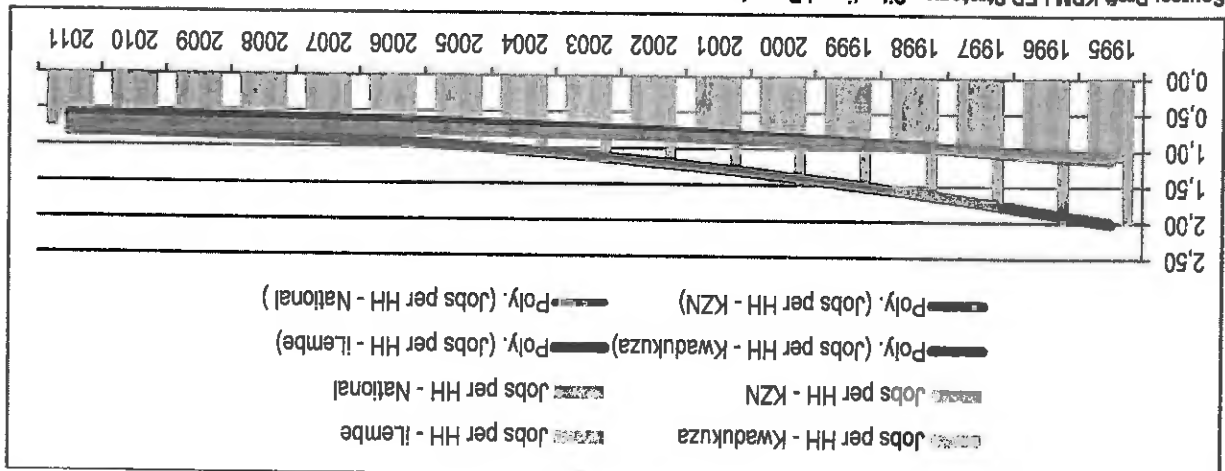


Table 11: KwaDukuza's Main Economic Contributors

5.6.1. MAIN ECONOMIC CONTRIBUTORS

5.6. LED STRATEGIC PROGRAMMES RESPONSIVE TO LOCAL CONDITIONS

Source: Draft KDM LED Strategy – Situational Report



5.6.2. EXPANDED PUBLIC WORKS PROGRAMME

In the past two financial years, KwaDukuza Municipality has invested its EPWP Incentive to community based infrastructure maintenance and cleaning programme on various wards, this programme has been a resounding success. The project principles have been based on the electorate mandate of our government of creating decent jobs, accelerating service delivery; fighting poverty and enhancing environmental management. These principles have been a key guideline in the implementation of the programme in the last two years. The municipality has created 175 work opportunities during 2015/2016 for our local communities through various programmes.

On the 03rd of October 2014, President JG Zuma launched the EPWP Phase III Implementation in Keiskammahoek in the Eastern Cape, where he summed up this phase as follows:

"The EPWP Phase 3 will continue to benefit the poor, unemployed and vulnerable sectors of community which includes youth, women and people with disabilities. This programme will be taken to all corners of our country. We are determined to reach as many people as possible and to achieve the goal of six million work opportunities."

Therefore, it is very clear that a directive was given to all South Africans in particular organs of the states to accelerate the implementation of EPWP and to reach a goal of 6 million work opportunities. The EPWP continues to be a cushion against the impact of rampant unemployment and poverty through work opportunities.

KwaDukuza Municipality has an obligation to accelerate the implementation of the EPWP Phase III. This acceleration cannot happen without the involvement and support of the provincial and national government. The support required from the other spheres of government is provision of financial resources towards the implementation of Phase III. This could be in the form of special grant towards this programme. The identified areas of focus on the EPWP are as follows:

- Cleaning and unblocking storm water infrastructure,
- Clearing and removal of illegal dumping,
- Plot clearance,
- Maintenance of selected community facilities,
- Cleaning and removal of the dirt in the water streams,
- Clearing dirt of community pathways, pavements and causeway,

- Removing alien vegetables,
- Planting of Trees,
- Identifying and reporting all water leaks and illegal electricity connections to the relevant authorities,
- Gravel road edges maintenance,
- Coastline clearance

KwaDukuza Municipality has also filled the position of the EPWP Data Capturer during 2014/2015 financial year. There has been steady improvement on reporting by the municipality on its EPWP implementation. It shall be noted, that all housing contracts and other infrastructural projects are using EPWP principles as part of their service delivery method.

CHALLENGES:

Wrong/ incomplete formats and reports lead to few projects being registered by the municipality as part of EPWP, No diversification of EPWP programmes within the organisation i.e. working for Fire, Working for Water, Working for Waste etc.

Lack of understanding of the labour intensive methods by our staff and professionals that provide service to the municipality.

Lack of accredited NQF Level 5/6 supervisors or training for EPWP which makes impossible for most of the contractors to comply with the EPWP guidelines.

Project implemented directly by the National Departments without the local municipality involvement (e.g. working for coast) and challenges around this delivery method on social fibre of our communities.

EPWP PHASE III IMPLEMENTATION

KwaDukuza Municipality has identified a number of opportunities for EPWP implementation and a business plan has been developed. Some of the opportunities that have been identified by the municipality are as follows:

- Cleaning of Estuaries,
- Maintenance of community facilities (e.g. halls and sports field) including caretakers,
- Fight against illegal dumping and grown vacant plots,
- Building of wooden bridges and causeways,
- Food for Waste,
- Working for Coast,
- Working for Water,

Home-based care and ECD teachers' development.

It shall be noted, that there is a working for coast project, implemented by the National Department of Environment Affairs which we do not have control on its implementation as the local municipalities.

A business plan has been submitted to COGTA for the consideration of roll-out of the 600 work opportunities programme during 2015/2016. This will be an additional opportunity for the municipality.

5.7. IMPLEMENTATION OF LED /CATALYTIC PROJECTS

5.7.1. EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

In the beginning of 2014/2015 Financial Year, the Department of Public Works allocated an amount of R 1 248 000 as an EPWP Grant. This grant comes with condition on how it should be spent. The Department of Public Works also appointed Naidu Consulting to work with Municipalities in ensuring that they identify and report on EPWP programmes. Part of the brief of Naidu Consulting was to ensure that KwaDukuza Municipality develops and adopts the EPWP Policy.

The goal of KwaDukuza EPWP Policy is to create decent work opportunities and ensure that these, are reported on regular basis to the Department of Public Works.

KwaDukuza Municipality appointed an EPWP assistant who works under the supervision of the EPWP Champion. He is responsible for the coordination of the Expanded Public Works Programme, assuring that the departments come up with strategies to create decent jobs within the municipality, and assures that reports are being submitted as required by the Department of Public Works on MIS (Management Information System). The municipality has made a substantial improvement.

KwaDukuza Municipality has set an annual target of creating 1000 work opportunities by 30 June 2015. It must be noted that the EPWP Grant can only accommodate 306 work opportunities for a period of 3 months for each employee, the outstanding 694 employees will be achieved from Housing and Civil Departments EPWP projects. These EPWP employees are being sourced through the Ward Councilors, Operation Sukuma Sakhe and the Mayor's Office of KwaDukuza Municipality. It must be noted that the final recruitment and selection is done through the Human Resources Department.

DISCUSSION

The report below presents the project details and progress made in the implementation of the project:

PROJECT DETAILS		REPORT
Name of Project:	Expanded Public Works Programme (EPWP)	
Project Description:	Mainstreaming of the use of labour intensive construction methods and community based maintenance programmes in order to create work opportunities, in line with EPWP objectives to improve the quality of life of the people of KwaDukuza.	
Ward:	All 27 Wards	
EPWP Grant allocation	R 1 248 000	
Expenditure to date:	R 388 548 .90	
Total Expenditure to date (direct and indirect):	R 388 548 .90	
% Expenditure to date:	31.13%	
Balance of Grant Amount:	R 859 451.00	
Start Date:	01 July 2014	
Finish Date:	30 June 2015	
Period of the Programme:	4 quarters	
Progress to Date:	Waste Management: 68 employees Civil: 36 employees Parks and Gardens: 19 employees Beach: 7 employees Housing Department: 138	
Temporary Jobs Created :	Female: 52 Males: 78 Youth: 96 Housing Department : 138 Total EPWP employees : 268 in Quarter 1	

Project Name	Brief Description	Proposed Amount
Bailito ICC	4000 delegate convention centre with 198 room 3* or 4* hotel office Park and 640 parking bays	R 1 Billion
Bailito Industrial Park	62ha Industrial Park	R 560 Million
Bythedale Coastal	5123 Residential opportunities, with 1095 affordable housing	R 15 Billion

The catalytic projects that are proposed to be implemented within KwaDukuza are tabulated in the table below:

5.7.2. CATALYTIC PROJECTS

	<p>Interventions</p>	<p>Reports: The EPWP Assistant collects all the necessary information that is required and submits reports on the Management Information System (MIS).</p> <p>This is a less of expensive therefore the funds from the Grant will be used mostly for creating work opportunities.</p> <p>Branding: A decision was taken that reflector bids would be purchased instead and are issued to the employees.</p>
<p>Challenges</p>		<p>Reports: It is difficult to receive reports from the infrastructure sector, as they are not submitted to the data capture on a monthly basis.</p> <p>Buying these uniforms is of less importance, as our focus is to create more work opportunities to improve the quality of lives of the people of KwaDukuza.</p> <p>Branding: The municipality is required to buy uniform by the Department of Public Works however this is not possible as the EPWP employees work on a temporary basis.</p>

STRENGTHS	Local Economic Development Sector Plans. Active district wide LED/ IGR forums. Location of iLembe Enterprise Agency. International partnership Study/best practice tours
WEAKNESSES	LED Unit understaffed. A concern on the level of education of local entrepreneurs; which could hinder the proper growth of this sector. Lack of entrepreneurial training and access to information and markets.

5.8. LOCAL ECONOMIC DEVELOPMENT SWOT ANALYSIS

Table 15--- iLembe LED Catalytic Projects

Resort, Blythedale Beach	opportunities, 40000m ² retail space, 1200 sleeper hotel, water theme park and sports schools	
Compensation Flats & Business Park development	100ha Industrial / logistics. 140ha business park offices	R 9 Billion
iLembe Techno Park	Electrical and Components Manufacturing	R 2 Billion
Wewe Driefontein & Mixed use Development	620ha Driefontein- Wewe Flats Estate (Industrial, Agric & Housing)	Multi Billions
Zimbabwe Lakes	1150 units & hotel Resort + golfing and commercial	R 3 Billion
KZN RED HUB development	250MW of renewable energy generation	R 5 Billion
Stanger New Town Centre	Shopping Mall, Government Precinct, commercial Offices	TBD
Airport Rapid Rail Transport	Develop fast rail from KDM to Dube Trade/ Airport, gateway/Umhlanga Durban	R 5 Billion +
Nonoti Beach Tourism Resort	Mass Beach tourism Resort	R 400 Million
Development of Regional Airports	Local airport as a catalyst for new investments and development in small town	TBD
Agri- Processing Hub	Attract international Food Production	TBD
Renewable Energy Hub	Location in the Green corridor, south KwaDukuza	TBD

Ward 1 Doringkop					
2013/2014	2014/2015	2015/16	2016/17		
1. Grazing fields	1. Sokesimbone Community Upgrade	1. Sokesimbone Community Upgrade	Business hive	Street lights	Wooden bridges
2. Lights for sports fields	2. Gravel roads maintenance	2. Gravel roads maintenance			
3. Upgrade of Sakhamkhanya sports field	3. Refurbishment of Road P107	3. Refurbishment of Road P107			
4. Sokesimbone Combo Court	4. Bus stop shelters	4. Bus stop shelters			
5. Hydroponic tunnels	5. Road marking	5. Road marking			
6. Sadloko Community gardens	6. Skips	6. Skips			
				Gravel roads maintenance	Refurbishment of

Mayoral Izimbizo were held in all the wards wherein communities were given an opportunity to reaffirm the needs and mention challenges that emerged from IDP status quo analysis and engagements. These needs are to be taken up and addressed through the IDP process and its budget allocations. The priority needs identified during various meetings and Izimbizo are outlined below:

5.9.1. BROAD BASED COMMUNITY NEEDS

C5.9. SOCIAL DEVELOPMENT

TABLE 16 - LOCAL ECONOMIC DEVELOPMENT SWOT ANALYSIS

OPPORTUNITIES	THREATS
<p>In a privileged position as it is strategically located along the Durban Richards Bay corridor.</p> <p>Has a well-established tourism profile.</p> <p>Has abundant developable land.</p> <p>Agriculture sector has the potential for large scale job creation and small, medium and micro enterprise development</p>	<p>Face challenges with regard to marketable and skilled work force, thereby creating a gap in productivity which in turn has a negative impact on the economic growth path.</p> <p>Infrastructure dilapidation.</p> <p>High levels of unemployment.</p> <p>Low levels of skills levels development and literacy</p>

Ward 2: Darnall			
2013/2014	2014/2015	2015/16	2016/17
1. Additional classrooms to the existing schools	1. Street lights	Bus Shelter	
2. Resurfacing roads in Darnall	2. Pot holes	Renovation of Youth Centre	
3. New road to the reservoirs	3. Shelters (need to be provided at the bus stops)	Upgrade of existing Clinic	
4. Water piping to be upgraded in identified areas and sanitation	4. Upgrading of Soweto sport field (toilets need to be built and installation of streetlights).	Storm water upgrades	
5. Bus Shelters	5. Speed Humps	Cemetery - Zamani area	
6. Junior Primary School	6. Storm Water pipes need to be upgraded	Upgrading of Soweto sport field (toilets need to be built and installation of	

7. Market building to trade in food plot	7. Youth Skills Development	7. Youth Skills Development	Bus stop shelters	Road P107
8. Sokesimbone Rural Housing Project	8. LED Projects	8. LED Projects	Road marking	
9. Sakhamkhanya Housing Projects			Skips	
10. Additional standpipes or yard taps in entire ward			Youth Skills Development	
11. Road infrastructure (tarred roads) e.g. Sakhamkhanya and Sokesimbone			LED Projects	
12. Sakhamkhanya Cemetery				
13. Street lights				
14. Electricity: Extension connections				
15. Electricity: in fills connection	2014/2015			
16. Electricity Projects				
17. Sakhamkhanya Cemetery				
18. Municipal roads: Speed humps				
19. Wooden Bridges: Sakhamkhanya, Sadoke and Sokesimbone				
20. Satellite police station				
21. Crèche				

2013/2014	2014/2015	2015/16
1. Nonoti Mouth Tar Road	1. Nyathikazi Bridge	1. Bridge at Nyathikazi Area
2. Resurfacing of roads at Zinkwazi	2. Nyathikazi Sportfield	2. Crèche at Nonoti Mouth Area
3. Regrading of gravel roads	3. Follishini tarred road	3. Follishini Tarred Road at Nyathikazi Area
4. Twele Housing Project		
5. Creche / ECD Nyathikazi and Nonoti	2. Access to water (standpipe) at Nyokeni	
6. Nonoti Park	3. Electricity	
7. Cemetery – Nyathikazi and Nonoti	4. Speed humps in Thokoza	
8. Permanent clinic	5. Access roads are needed in existing properties	
9. Upgrading for the basket project in Zinkwazi	6. Employment	
10. Toilets on the beach and in parks to be upgraded	7. Nyathikazi bridge	
	8. Youth programmes	

Ward 3: Nyathikazi and Nonoti

7. Youth Centre	7. Street lights	Tarring of main access roads. (Prioritize road from the bridge to the clinic).	
8. Support Centre	8. Change rooms	Change rooms in Damall Sports Ground	
9. Upgrade of existing Clinic			
10. Market place to sell next R102)			
11. Storm water upgrades			
12. Additional classrooms to the existing schools			
13. Cemetery - Zamani area.			
14. Combo Court at Soweto sports ground and Fencing of Damall sports Ground			
15. Satellite police station			

Ward 5: Lindelani			
2013/2014	2014/2015	2015/16	2016/17
1. Extension of the community hall.	1. Streetlights	Extension of the community Hall	
2. Resurfacing and dressing rooms at Lindelani sports fields/grand stands	2. Humps	Land for Lindelani Creche-currently operating at the Lindelani Community Hall	
3. Old age home	3. Pothole patches	Installation of Geysers to Phase 1 & 2 Houses	
4. Craft centre	4. Houses with cracks to be built	Repair all Phase 1 & 2 Houses	
5. Repair of RDP houses	5. Three more roads outstanding	Land for Children's Park	
6. High School – Lindelani		Land for Housing	
7. Worship Sites – Lindelani		Tarring of access road below Cllr Sibiy's House	
8. Road tarring Section C		Tarring of access road near Thabethe Taxi Stop	

Ward 4: Shakashead			
2013/2014	2014/2015	2015/16	2016/2017
1. Storm water systems (Shakashead)		1. Storm water systems (Shakashead)	Storm water
2. Access road (Compensation-Ballito)	1. Clinic	2. Access road (Compensation-Ballito)	Hospice
3. Hospice		3. Hospice	SME support
4. SME support		4. SME support	Sanitation
5. Sanitation (Shakashead)		5. Sanitation (Shakashead)	Tarring of existing roads
6. Tarring of existing roads		6. Tarring of existing roads	Railway station
7. Railway station		7. Railway station	Recreational facilities (swimming pool etc)
8. Recreational facilities (Shakashead)		8. Recreational facilities (Shakashead)	High School
9. High School		9. High School	Additional classrooms at Primary school
		10. Clinic	Clinic
			In-house water connections in Phase 2
			Site for temple (Indian)

9.Speed Humps near and around grave yard		Cutting of access road to Lindelani F Section	
10.Speed Humps Near and around Grave yard			
11.Upgrading of roads and Storm water			
12.Electricity Maintenances			
13.Small Business Market and Shelter			
14.Land for Housing- Hospice homes for the Disabled			
15.Land for Park and Cultural activities			

Ward 6 : Ballito

2013/2014	2014/2015	2015/16	2016/17
1. Standard branded directional signage and improved traffic signs.	1. Resurfacing of all roads	Resurface Roads.	Police Station
2. Storm water outfalls on beaches	2. Renovations at Scout Hall.	Renovate Toilets on Beaches and city centre.	Home Affairs Offices
3.Small business market and possible pier shelter	3. Side Walks initiative.	Side Walk Initiative.	Civic Buildings Completed urgently
4. Finalised Tourism and Marketing Strategy.	4. Thompsons Bay Toilets.	Extend and Renovate existing Board Walk.	Fencing of the 2 sites of conservation – Waterberry and Pigeon wood in Ballito
5. Construct pedestrian walkway down Ballito Drive, and upgrade compensation beach drive	5. Installation of CCTV at hot spots.	Playground Equipment in public spaces.	Removal of alien vegetation
6. 11kv substation for Ballito	6. Playground equipment in all parks.	CCTV cameras in strategic areas in the Town as well as the Business Parks.	Standard branded directional signage and improved traffic signs
7.Land for housing hospice Village Node		Start a Re Cycling initiative for the Southern Area.	
8. Taxi stops- lifestyle, Ballito		Community Hall in the correct area of the Town.	
9. Bus Service		Office for Local Councillor	
10.High school		New Taxi Rank Space. This is Urgent.	
11.Sewer line to be moved off			

Ward 8: Nkobongo			
2013/2014	2014/2015	2015/16	2016/17
1. Upgrading of storm water	An option to pay water connection fee of R450 over three months	Assistance for Small Business	Additional housing

Ward 7 : Thethe			
2013/2014	2014/2015	2015/16	2016/17
1. Verge maintenance	1. Tared Roads.	1. Tared Roads.	1. Tared Roads.
2. Skips	2. Sport field.	2. Sport field.	2. Sport field.
3. Bus shelters (upgrade), bus service and street lighting in bus stops	3. Sanitation.	3. Sanitation.	3. Sanitation.
4. Mobile clinic	4. Water connections.	4. Water connections.	4. Water connections.
5. SMME development	5. Crèche.	5. Crèche.	5. Crèche.
6. Post boxes crèche	6. Sidewalks.	6. Sidewalks.	6. Sidewalks.
7. Addressing illegal dumping	7. Parks.	7. Parks.	7. Parks.
8. Visible police patrol	8. Vending Machine.	8. Vending Machine.	8. Vending Machine.
9. Verge maintenance			
Willard Beach			
12. Demolish and reconstruct toilets at and Thompson Bay			
14. CCTV cameras on Promanade			
15. Visible 24 hour policing through ward 6			
16. Informal trading policy and facilities for storage and vending for beach vendors			
19. Storm water outfalls on beaches			

Ward 9 : Malende			
2013/2014	2014/2015	2015/16	2016/2017
Improving of sanitation	Improving of sanitation	Improving of sanitation	Dipping tank

Industries -job creation	Arts and Culture programmes.	Mechanical Workshop	Industries- job creation
2 Upgrading of drainage system (Nkibongo & Shaskraal)	Disaster Management Services as there are houses that get washed up during rainy seasons.	Street vend*-or stalls	Electrical vendor
3. Water and sanitation			
4. Upgrading of sports field	Career Awareness Campaigns for school kids	Combo court	Water connections in houses
5. Primary school	Hall renovations	Walkway towards cemetery	The stand pipe at eMathuneni to be adjusted.
6. Tarring of roads		Speed humps (2-4)	Toilet facilities
7. Resourcing of resource centre		Guardrails	Bursaries.
8. Cricket ground	Portable goal-post for Nkibongo sports field	Skipper bins	
9. Sidewalks (Nkibongo)	Additional flood lights for the sport ground	Employment	
10. Health workers	Side grand stands	Food for Waste project needs to be implemented in the ward.	
11.	Caretaker for sport field	Street Naming	
12.	Road resurfacing gravel roads X3	Access road	
13. Banking facility	Crèche for vulnerable kids		
14. Electrical vendor (Nkibongo)			
15. Shopping centre (Nkibongo)			
16. Police visibility			

Ward 10 : Grootville			
2013/2014	2014/2015	2015/16	2016/17
1. Sanitation	1. Business centre/mall	1. Business centre/mall	Grootville Clinic Upgrading
2. Street lights	2. Street lights	2. Street lights	Dube Village Extension
3. Bush clearance (between old age home and Vilakazi school) R102	3. Electricity infills	3. Electricity infills	Charlottedale Housing Project
4. Upgrading of Grootville Market	4. Speed humps	4. Speed humps	Aldinville Housing Project
5. Land for housing	5. Skips	5. Skips	Mall/ Shopping Centre
6. Electricity	6. Maintenance or gravel roads	6. Maintenance or gravel roads	Street lights
7. Tarring of roads (school road, KwaBukhosini, KwaMangele,	7. Potholes	7. Potholes	Speed humps
8. Resurfacing of the gravel roads	8. Stormwater	8. Stormwater	Proposed tarred Roads
			Mvuyana store to -Cranebrook area,

Upgrading of gravel roads	Upgrading of gravel roads	Upgrading of gravel roads	Upgrading of gravel roads
Street lighting	Street lighting	Street lighting	Street lighting
Cemetery	Cemetery	Cemetery	Cemetery
Multi-purpose centre	Multi-purpose centre	Multi-purpose centre	Multi-purpose centre
Gravel roads	Gravel roads	Gravel roads	Gravel roads
Bus shelters	Bus shelters	Bus shelters	Bus shelters
Play parks	Play parks	Play parks	Play parks
9. Dipping tank	9. Dipping tank	9. Dipping tank	9. Dipping tank
10. Bridges (Mahambebukwa)	10. Bridges (Mahambebukwa)	10. Bridges (Mahambebukwa)	10. Bridges (Mahambebukwa)
11. Housing project- Mgimbe	11. Housing project- Mgimbe	11. Housing project- Mgimbe	11. Housing project- Mgimbe
12. Extension of rural housing	12. Extension of rural housing	12. Extension of rural housing	12. Extension of rural housing

11. Worship sites					
10. Waste removal					
9. Upgrade of storm water system (BW Vilakazi School)	9. Proposed tarred Roads -V drain at central area, Ngwane store -V drain at Shiela area, Charotttdale -V-drain at Maseko area, Charotttdale - 2 V drains Dube Village -V drain at Ediphini area next to Mishall House Mhlongo area- stormwater pipes next to Mangele	-V drain at central area, Ngwane store -V drain at Shiela area, Charotttdale -V-drain at Maseko area, Charotttdale - 2 V drains Dube Village -V drain at Ediphini area next to Mishall House Mhlongo area- stormwater pipes next to Mangele	3 tarred roads at Myeza Mishall to Mthembu shop Ediphini area, soccer area to Museum to Ndlazi shop Mzoneli to Mbesi shop to Ntuli Ncube Mphinyane area, Mpanza to Mhlongo area and bus route Mbambo to Diadia bottle store -Cycle to Cranbrook area -Mqwebu to Nkala -Market to Mangele Mvuyana store -Central area, market to store to Mgobhozi -Cranbrook area, Mvuyana store to Mgobhozi	3 tarred roads at Myeza Mishall to Mthembu shop Ediphini area, soccer area to Museum to Ndlazi shop Mzoneli to Mbesi shop to Ntuli Ncube Mphinyane area, Mpanza to Mhlongo area and bus route Mbambo to Diadia bottle store -Cycle to Cranbrook area -Mqwebu to Nkala -Market to Mangele Mvuyana store -Central area, market to store to Mgobhozi -Cranbrook area, Mvuyana store to Mgobhozi	Dube Village Area Chibili to Mamkhize Khumalo to store to Chibini Mandeni, Thusi to Mhlongo Ezileneni area – Ntongane to Mthiye
		-V drain at Cran Brook Area, between Mashiyana Dimba	-V drain at central area, Ngwane store		Housing Projects Luthuli Area Housing Charotttdale Housing Dube Village Extension Aldinville Housing Project
			-V drain at Shiela	Stormwater -V drain at Cran Brook	

Ward 11: Mangomfani, Njekane, Tsheni

U16

9/18

Ward 13: Glen hills			
2013/2014	2014/2015	2015/16	2016/17
1. Upgrading of sports field	1. Adult sports programmes.	1. Adult sports programmes.	Upgrading of sports fields
2. Building of combo courts in	2. Housing.	2. Housing.	Adult/ Youth Sports Programme

Ward 12: Thembeni			
2013/2014	2014/2015	2015/16	2016/17
1. Waste removal	1. Road next to the hall needs more than two speed humps due to speeding cars.	1. Road next to the hall needs more than two speed humps due to speeding cars.	
2. Electricity (Ten Acre)	2. Dog pounding.	2. Dog pounding.	
3. Upgrading of roads	3. A skipper bin by the cemetery/butchery.	3. A skipper bin by the cemetery/butchery.	
4. Title deeds	4. Storm water drainage system is needed by the newly built houses.	4. Storm water drainage system is needed by the newly built houses.	
5. Upgrading of the tunnel	Street lights and infills	Street lights and infills	
6. Electricity Ten Acre	Street lights at Dube Station are needed.	Street lights at Dube Station are needed.	
7. V drain Dube toll gate area	8. Electricity Kiosk in an accessible place within the ward	8. Electricity Kiosk in an accessible place within the ward	
8. Upgrade of tollgate market	9. Waste Removal	9. Waste Removal	
9. Pedestrian bridge- Dube Village	10. Drainage Canal	10. Drainage Canal	
	11. Title Deed	11. Title Deed	
	12. Community hall next to Grootville Station	12. Community hall next to Grootville Station	

concrete bins	15. Attending to potholes along Ocean View Drive, Lagoon Drive and Sea View Drive		
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Glenhills	3. Post office	3. Park for kids to play at Top Shop.	Housing
	4. Public phones	4. Electricity at Nyonyiyanzi.	Parks for kids to play at Top Shop playground to be redone and upgraded in Mercury Place C Section
	5. Storm water management	5. Youth sports programmes.	Public Phones
	6. Bus shelter	6. Training Centre.	
	7. Community hall	7. Youth Skills Development	Electricity in Nyonyiyanzi
	8. Creche/ECD	8. Lack of sports facilities and poor maintenance of the current sports facilities.	Storm water management Manholes covers to be replaced.
	9. Road Steve Biko phase 2	9. Urgent need of a creche (Steve Biko Area).	Bus shelter at Top Shop/ Training Centre.
	10. Road to Water works	10. Urgent need to upgrade a road in Steve Biko (redoing of gravel road).	Youth Skills Development (unemployment in all areas).
	11. Library	11. EPWP initiatives.	
	12. Completion of Glenhills Multi-Purpose Centre	12. Damage of the sports field by trucks during Diwali event and no proper rehabilitation of the facility after such events.	Creche /ECD(lack of sports facilities and maintenance of current sports facilities).
	13. Land for housing	12. Continuous need of electrification at Hillview.	Urgent need of creche (Steve Biko area and Glenhills area.
		13. Electrification of Mathonsi family house and handover of the house.	Urgent need to update road in Nyonyiyanzi.
		Needs for proper skills development programme for the unemployed.	Library
		Clarity of the Steve Biko Housing Project boundaries between ward 13 and 26 (inclusion of ward 26 in PSC and the project).	EPWP initiatives
		Lack of sports facilities and poor maintenance of the current sports facilities.	Continuous need of Hillview/ happy Valley
		Urgent need of a creche (Steve Biko Area).	Lack of sporting facilities and poor maintenance of the current sports facilities
		Urgent need to upgrade a road in Steve Biko	Urgent need to upgrade a road in Steve Biko

	road in Steve Biko (redoing of gravel road),	
	Biko (redoing of gravel road),	
	Sewing and Knitting (uThando Association)	

Ward 14: Lloyd

2013/2014	2014/2015	2015/16	2016/17
1. Mashaba Renovations of facilities Sports field	1. Completion of road from bar area to Dube butchery	Road Upgrades: Completion of road from bar area to Dube butchery, road upgrade at bar, Lloyd access road and waterworks road.	Upgrade water works road
2. Creche at Shombela	Maintenance of Mashaba sports fields	Upgrading of pit latrines to installation of flush toilets in priority 1	Dislodging of pit latrines in priority 1
		Solar energy	Maintenance of Sport field
3. Maintenance of internal roads with quarry at Lloyd, Ngqobeni, Mbambo road		Burglar guards at the hall	Bridge between wards (9 and 14)
1. Road at Memorial is in bad condition.	2. Waterworks road needs upgrading.	Skips	Bus shelters in Mbozamo, Lloyd school, Ngqobeni, Jazini.
4. Desludging of the toilets	4. Upgrading of the road at Lloyd School.	Speed humps	
5. Side walks		Bridge that links ward 14 and 09 and will assist the people that cross the uMvoloti river	
6. Storm water	6. Speed humps.	Repair of cracked houses in Priority 01	
7. Security at the hall/ burglar guards	7. Streetlights maintenance	Bus Shelters: Ejazini Bus Stop, Lloyd School gate, Ngqobeni, Mbambo	
8. Bus shelter	8. Another road and upgrade at bar area.	Naming of Streets	
9. Streetlights	9. Skips.	Toilet upgrade from pit latrine system to flush system in Shombela RDP houses (priority 1)	
10. Speed humps			
11. Roads			
12. Repairing of houses			

Ward 15: Nkukwini			
2013/2014	2014/2015	2015/16	2016/17
1. Crèche/Pre/Primary /High Schools/ (Ntshawini area)	Removal of debris under the bridge	Removal of debris under the bridge	Road and Sidewalks from KwaMbambo cross to Gledhow
2.Link road for Gledhow station & South	Stand pipes are not located in the right location, the water from the stand pipes erode the road	Stand pipes are not located in the right location, the water from the stand pipes erode the road	Creche
3.Housing - Gledhow station, Compound, Zone 5, Sophia, Quba2nd stop Kwakhnoza Area			Street Naming
4.Community Hall - Gledhow Station			Gym equipment
5.Sports facilities play parks for children			Sports ground
6.Road infrastructure			Skating ground
7. Business Centre			Houses
8.Sanitation and water			Road linking Gledhow station to Gledhow South Village
9.Combo courts			
10.Foot bridges across Ntshawini River to link with R102 at Ndvane Stream			
11.Skips			
12.Road infrastructure			
13.Business Centre			
14.Sanitation & Water			
15.Skips			

Ward 17: Stanger Manor			
2013/2014	2014/2015	2015/16	2016/17
1. Market Stalls	1. Market Stall – Open Space opposite Engen Garage	Market Stall (open space opposite Garage)	Roads- Resurface Manor Drive (whole) Daffodil Street from Manor Drive up to Camna Road (Manor Library, Manor community hall, Sportsfield -integrated area will

Ward 16: Stanger Heights			
2013/2014	2014/2015	2015/16	2016/2017
1. Stanger Heights bridge	1. Street lights in the area.	Play Grounds – Morningside	
2. Sports facilities	2. Grey Ridge Drive upgrade.	Sportsfield- Stanger Heights (Next to Sanjays Gate)	
3. Road Infrastructure	3. Upgrade of speed humps in the area.	Playgrounds – Sunny Park	
4. Extension of Mdonville Hall		Overhead Bridge R74 to be built – Indian Village	
5. Road marking	5. Status of roads is a major concern.	Stairway at Open space – Indian Village	
6. Extended housing benefit scheme	6. Need a community hall for Ward 16	Community Hall to be extended (Mdonville)	
7. Side walks	7. Low cost housing.	Storm & Sewer Pipelines to be upgraded – Indian Village	
8. Overhead bridge from Indian C Village to the road going to the hospital	9. Stream in sunny park must be closed.	Re-surfacing Some of the roads	
9. Upgrade and general maintenance of 101 flats	10. All the missing meter room doors must be replaced.	Gabions to be completed at testing grounds	
10. Kwadukuza Bird Sanctuary – Dan Stream needs to be cleared up	11. The sport field in morning side needs the lights to be repaired.	Stream to be closed & piped Sunny Park	
11. Removal of illegal shacks at Stanger Heights Area	12. Storm water catch pits needed on Maphumulo		
12. Constant complaint about storm water and sewer (Northlands Park, Indian Village and Highway Road).			

[illegible]

Ward 18: Shakaville				
2013/2014	1. Sanitation	2. Skills Centre	3. Housing	4. Upgrading of youth centre into wellness and fitness centre
2014/2015	1. Community hall at Mbozamo.	2. Upgrade or renovation of the existing community hall.	3. Renovation of hostels.	4. Library.
2015/16	1. Community Hall at Mbozamo Section	2. Upgrade or Renovation of the Existing community Hall: Floor tiles Ramp for the Disabled Parking opposite the hall Parking opposite the councillors office Ceiling fans	3. Renovation of Hostels	4. Community Library
2016/17	Upgrade or renovations of the existing community hall: floor tiles, ceiling, parking opposite the councillor's office	Renovations of hostels	Community Library	Resurfacing of roads, particularly Nengwe Street (incomplete -Sikhakha ne Street

15. Improving of the quality of water and electricity			
16. Sanitation			
17. Community Hall at			
18. Stanger Manor			
19. Transfer Stations for all areas in the ward			
20. Mbozamo road needs to be upgraded and tarring			
21. Roads that need resurfacing at manor Shopping Complex Area: Daffodil street, Geranium street, Manor Drive, Cautus Street			
22. Upgrade of Stanger Manor Entrance			
23. Community Hall at			

-Magwazeni Street -Mataya Street -Xibixhegu Street -Kwabulawayo Street -Osuhi Street -Kokoti Street -Nkonkoni Street		5. Resurfacing of Roads, Particularly: Nengwe Street Mfemfe Street Xibuxhegu Street Kwabulawayo Street	5. Renovation of Shakaville community Hall
		6. Installation of stand pipes (Monkeytown).	6. Pedestrian bridges for Mbozamo River
		7. Installation of speed humps.	7. Creche facility Mbozamo
		8. Installation of street lights.	8. Dismbedlu pedestrian bridge x 36
		9. Maintenance of street lights.	9. Police Patrol
		10. Upgrade of od storm water system.	10. Speed humps Mbozamo
		11. Upgrade of sports field.	11. Community Hall- Mbozamo
		12. Upgrade of youth centre.	12. Bus Shelters
		13. Upgrade of youth centre.	13. Securing of municipal buildings
		14. Installation of guard rails.	14. Bus shelters.
		15. Installation of Gabion Baskets: Nobamba, Ntontela and Kokoti Streets	15. Installation of guard rails.
		16. Construction of Foot paths in Mbozamo	16. Installation of Gabion baskets.
		17. Extension of Ndondlo Street	17. Fencing of securing of 1993 massacre site in Mazakhele.
		18. Potholes repairs	18. Potholes repairs
		19. Pavement on Roads along the schools	19. Pavement on roads along the schools for learners' safety
		20. Fencing/Securing of Shakaville 1993 Massacre site	20. Fencing/ securing of shakaville 1993 massacre

site	21. housing projects backlog	Housing projects backlog- "Monkey Town Housing project, Mbozamo rectification project and dumpsite housing project- can assist in this backlog	22. Play Ground equipment: such as jungle swings, seesaws, slides, etc Playground equipment, such as jungle gym, swings, seesaws, slides, etc	23. Creative arts/cultural, recycling, industrial activities by Siyavuma Disabled Co-operative Market place for local women and men with gardens	Enforcement of bylaws for illegal dumping
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section	13. Balcomb-FNB inter-		<ul style="list-style-type: none"> - grade road to the dead end - construct a wooden bridge for easy crossing over stream adjacent to the pipe 	
	6. Containing of water flooding river side road- Town view, Rocky Park, testing ground, hospital, tunnel, mosque, ZMS school		<ul style="list-style-type: none"> - at T junction install barrier to avoid vehicles from entering the property of Mr Misra. 	
	7. Pedestrian crossing in Riverside road and Town view		<ul style="list-style-type: none"> - Remove alien plantation (south end) - policy on vacant properties or get land owners to clean properties. 	
	8. Pension pay-out points		<ul style="list-style-type: none"> 8. Townview - Shepstone road (north end) - establish dead end with street lighting 	
	9. Benches in town and in open spaces		<ul style="list-style-type: none"> 9. Townview - Dick King road - attend to road along the wall of complex - attend to drainage of storm water. 	
	Upkeep of market plaza area, taxi rank, bus rank		<ul style="list-style-type: none"> 10. Rocky Park - Rockwell drive - attend to storm water leading to house 100, Stanley Milligan (mid property) - control of alien vegetation, mid property off Rockwell drive 	
	11. GPS system for storm water in the CBD		<ul style="list-style-type: none"> 11. King Shaka street - construct speed calming 	
	12. Traffic lights- Gizega/ King Shaka Streets		<ul style="list-style-type: none"> 12. Entrance to the town / R74 - improve entrance - installation of signage - installation of lighting from N2 - upgrading existing road to multi lanes inline with the growth of the business district. 	
	13. Balcomb-FNB inter-		<ul style="list-style-type: none"> 13. CBD - Construction of pedestrian crossing between intersection to create easy crossing. - construction of toilets for public - establishment of additional parking areas 	

			14.Upgrading of entrance to town	14. Housing - creation of plans / implementation of social housing		15. Business - creation and promotion of establishments if small business sites - promoting the establishment of shopping malls	16. Education - promoting the establishment of FET college - promoting career advise to high school learners.	17. Youth and Children - creation of play parks - establishment of indoor sporting facilities - creation of youth advisory centers - business opportunities for youth	18. Employment - encourage industrial development to address unemployment	19. Crime - establishment of a 24 hour crime prevention unit - regularize car guards - improve camera system and monitoring thereof	20.Upgrading of play parks 20. Disabled - creating all facilities and government departments to be disabled friendly	21. Upgrading of pavement in CBD as per
			15.continuation of the CBD rejuvenation as per detailed planning									
			16.Stringent enforcement of the bylaws in the CBD									
			17.Transport facility-railway, taxi									
			18.Side walk in Van der Wagon drive-Rocky Park									
			19.Skips in Rocky Park, Town , Newtown, Lakefield									
			20 Upgrading of play parks									
			21. Upgrading of pavement in CBD as per									

Ward 20: Snyman

rejuvenation plan			
22. Informal traders- formalise, control and maintain vendor stands			
23. Morning market for small farmers.			
22. Grass cutting verge maintenance - carry out regular maintenance of verges - plant trees and flowers - accumulate and remove cut grass and trees.			
23. Social grants - engage with DSD for grant payment venue - abolition facilities for pensioners - protection of pensioners collecting grants against weather.			
24. OSS - creation of response teams for issues - CCG to be employed			

R	2013/2014	2014/2015	2015/16	2016/17
1. Cemeteries	1. Street lights	1. Gravel Road	Housing	
2. Upgrading of roads	2. Gravel roads to be upgraded	2. Maintenance of streetlights	Sewer/ water	
3. Sanitation-water	3. Ablution facilities 'toilet taps inside the Hall	3. Speed humps in main road (R102)	Maintenance of gravel roads upgrade to G5 or crusher runfills	
4. Clinic	4. Stand pipes at the sports fields and hall	4. Repairing of shower pipes	Bulk funding to upgrade the present electricity grid in ward 20	
5. Sports facilities	5. Crèche'	5. Housing	Erection of speed humps on R102 from Shavins to Sasko Bakery	More streetlights are needed
7. Parks	7. Street lights that need to be maintained		Upgrading of pedestrian walks for children and residents	Upgrade of Shavins soccer
8. Swimming pool	6. Pension pay point			

2013/2014	2014/2015	2015/16	2016/17
1.Clinic	1.Cemetery	1.Cemetery	Housing
2.Transport system (buses)	2.Water	2.Water	Water and Sanitation
3.Health services (patients to be sent to Stanger Hospital not Oshindisweni))			Gravel Road
4.Mobile Police Station			Fencing Cemetery
5.Job Opportunities (local people must get first preference)			Worship sites
6.Houses			
7.Basic services			
8.Clinic			

Ward 21: Driefontein

9.Pay points			
10.High school			Pension pay points needed
11.Tinley Manor School			Tarred road from Shavins to railway needs to be widened
12.Speed Humps R102			Electricity inflits to - + 60 houses at shavins/ C.A. Naidoo/ Rialway areas
13.Street names			Floodlights/ stamds and drainage nee to be installed on Snymans soccer ground
14.Sidewalks			Basketball court/netball court needed
15.Fencing of hall			More refabs to be installed at Radha Roopsigh School
16.Bus shelter			
17.Worship site			
18.Housing			
19.Security hall			
20.Upgrades of gravel road			
21.Ward committee office equipment			
22.Pegging of the area			

Ward 22: Shakaskraal			
2013/2014	2014/2015	2015/16	2016/17
1. Cleaning of Umhlali river and storm water throughout CBD and C1	1. Close storm water channels in C one – upgrade storm water system.	Close storm water channels in C1 and upgrade storm water system.	Houses
2. Old age home (Shakaskraal)	2. Community Hall in Mellow Wood Park.	Community Hall in Mellow Wood Park.	Water
3. Tarring of Circle road (Shakaskraal)	3. Upgrade CBD storm water system.	Rehabilitation of cracked and Damp Houses in C1.	Sports field
4. Housing in Shakaskraal and C1 (low and middle income)	Rehabilitation of cracked and wet houses in C one.	Speed Humps, increased allocation.	Fox Hill Lane to Sizani
5. Road curbing (old age home – shell)	4. Speed humps.	Renovation of Pavements and Islands in Umhlali Village and Shakaskraal Old Main Road.	Tiffany robots
6. Upgrading of drainage system	5. Widen Clover road in Protea Heights.	Renovate Fox Hill Lane to Link Church and Sizani School.	Sheffield Road robots
7. Removal of alien vegetation	6. Fox Hill Lane to Sizani school.	Taxi Ranks in Umhlali Village and Shakaskraal.	Community sports facility's fields
8. Community Hall in Mellow wood Park		Salt Rock Beach; upgrade to Traders area.	
9. Sports fields	7. Widen and resurface Malindi Lane in Tafeni.	Refurbishment to the Road Network in the Ward.	
10. Shisampama accesses	8. Bus shelters throughout the Ward.		
11. Bus service	9. Taxi Rank in Shakas CBD.		
12. Desludging of toilets			
13. Repair of RDP houses per list			
14. Salt Rock Beach facilities upgrade storage for traders			
15. Toilets at Granny's Pool beach			
16. Pavements - repair and installation			
17. High School			
18. Traffic calming on R102 and past Millview			
19. Street names - C1 and			
Zimbabwe Lakes			
20. Skills training and job creation			

Ward 23 : Shayamoya			
2013/2014	2014/2015	2015/16	2016/17
1. Additional houses (population has increased)	1. Employment.	1. Access route from Paki to the local Cemetery place	Street names and Access route from Paki to the local Cemetery place
2. Street names and Access route from Paki to the local Cemetery place boxing.	2. Sports i.e. rugby and	2. Waterborne toilets	Crèche & Pre-School
3. Waterborne toilets	3. Park to be located in the centre of Shayamoya.	3. Recreational facility	Speed calming measures at Nkantini Area
4. Road maintenance	4. Renovation of houses and halls.	4. Electrical vendor	Sopris field (Shayamoya)
5. Crèche & Pre-School	5. Skipper bins.	5. Multi-purpose centre	Health workers
6. Signage at Nkantini Area	6. Street lights at Emathuneni/Romeni	6. Dislodging of VIP toilets	High school
7. Extension of Hall (for Cooking & other things)		7. Storm water drainage	Land for housing
8. Railway station		8. Land for agriculture	Side walks
9. Recreational facility		9. Play park	Apolo lights
10. Upgrade of existing sports field (Nxumalo)		10. Bridge (from Shayamoya to the cemetery area)	Fencing of old cemetery near Zinkwa town
11. Electrical vendor		11. Sidewalks	
12. Sportsfield (Shayamoya)		12. Piping of open V drains	
13. Multi-purpose centre		13. Sports Complex	
14. Health workers		14. Rectification of houses	
15. Dislodging of VIP toilets		15. In house water connection	
16. High school		16. Houses	
17. Storm water drainage		17. Informal Trading Stalls	
18. Land for housing			

19.Land for agriculture			
20.Play park			
21.Bridge (cemetery-Shayamoya)			
22.Sidewalks			
21.Bridge (cemetery-Shayamoya)			
22.Sidewalks			
21.Bridge (cemetery-Shayamoya)			
22.Sidewalks			

Ward 24: Melville

2013/2014	2014/2015	2015/16	2016/17
1.Roads at Mphithiza	1. Ward 24 Housing Project	1. Ward 24 Housing Project	Construction of a new hall
	2. Melville B arracks Housing Development	2. Melville B arracks Housing Development	Market facility
	3. Hlabanathi the road has not been upgraded/ tarred.	3. Hlabanathi the road has not been upgraded/ tarred.	Change rooms in the sports ground
2. Foot Bridge at Mphithiza	3. Access roads from Nkukhweni to Station. (Ward 15)	3. Access roads from Nkukhweni to Station. (Ward 15)	Speed humps along the main road, next to Hlabanathi area
3.Safe play lot for children	4. Need employment from contractors who are appointed by the municipality.	4. Need employment from contractors who are appointed by the municipality.	Speed humps along road 8 in Congo area
4.Site currently used by the Gledhow mill should be used for community related uses	5. Storm- water drainage system between Mphithiza and Hlabanathi	5. Storm- water drainage system between Mphithiza and Hlabanathi	
5.Uprgrade of sports facility- tennis court (Melville)	6. Storm-water drainage system between Hlabanathi and behind Melville Primary School	6. Storm-water drainage system between Hlabanathi and behind Melville Primary School	
6.Swimming pool	7. Main road at Hlabanathi needs to be tarred at the end	7. Main road at Hlabanathi needs to be tarred at the end	
7.Congo housing project			
8.Utilization of local labour for housing project			
9.Awareness in terms forming co-operatives to exploit sand mining opportunities			
10.Assistance with the acquisition of sewing machines			
11.Creche			

Ward 26: Ntshawini/ Nevas			
2013/2014	2014/2015	2015/16	2016/17
1. Roads to be tarred	1. Houses affected by disaster have no electricity.	1. Roads to be tarred	1. Housing Project (Chief Albert Luthuli Rural Housing Project, Ntshawini Phase 1 Housing Project)

Ward 25 : Vulingqondo			
2013/2014	2014/2015	2015/16	2016/17
1. Grazing Camps	1. Hlalanankosi Access Road	1. Mdebeni Community Hall	2.
2. LED Projects (Skills development)	2. Access Roads to Shekembula School and Tshelabantu School	3. Hlalanankosi Access Road	
3. Signage & Speed humps next to Shekembula H. School	3. Mdebeni Community Hall Speed humps at Ohlange Access Road	4. San Souci Access Road Phase 02	5.
4. Businesses Sites	4. Hlalanankosi Access Road	6. LED Projects (Skills development)	7.
5. Combo Courts at Shekembula High School		8. Business (Commercial) sites	9.
6. Upgrade of sports Facilities (Equipment)		10. Combo Court at Shekembula High School (Community)	11.
7. In route roads between houses.		12. In route roads at Vulingqondo Area	13.
		14. Crèches at Ohlange and Sadlokwe Area	15.
		16. Toilets and Water	17.

12. Sewerage problems throughout the ward, especially at Barracks			
13. Traffic calming measures on R102			
14. Stormwater problems at Melville Primary School- channel blocked by sand mining trucks			
15. Need to finalize ownership of houses at Barracks.			

2. Toilets/sewerage	2. Ebhubha: access roads.	2. Water upgrades in Shayamoya	2. Tared roads (P533 Fawisly Park-memorial, KwaDube to KwaZungu- Memorial Street, Nkwilini street- Memorial, Reservoir Street-memorial, Khumalo Street - Ezilabathini,
3. Water	3. Ebhubha: street lights.	3. Roads	3. R102 speed humps between first and second stops (Ntshawini)
4. Electricity	4. The road going to Ediphini needs to be upgraded.	4. Electrical vending machine	4. Pot holes
5. Roads	5. Need a cemetery at Shayamoya.	5. Housing, Ntshawini Project/Chief Albert Luthuli Rural Project	5. Soccer field (renovations and include netball court)
6. Electrical vending machine	6. Need electricity at Shayamoya.	6. Play Park	6. Electricity Vending Machine
7. Link road - Ntshawini - Shayamoya Ward 13	7. Electricity at "Madumbamheho"	7. House affected by disaster	7. New standpipes (KwaDube /Dumbamheho)
8. Community Hall for Shayamoya, Mpomgongweni and Steve Biko areas	8. Houses are collapsing	8. Bhubha Access Road	
9. Housing	9. Youth support programmes e.g. Arts and Culture programmes.	9. The road going to Ediphini needs upgrade	
10. Play parks	10. Shayamoya water pressure is too low	10. Youth support programmes Arts and Culture programmes	
11. Roads	11. Unemployed	11. Need uniform	
12. Toilets/sewerage	12. Facilities at the sports field such as electricity, water, toilets.	12. P533	
13. Water	13. Need uniforms.		
14. Electricity	14. Waste in Gamakhulu is not collected regularly.		
	Houses affected by disaster have no electricity.		
	16. Ebhubha: access roads.		

There are 28.2 % people above the age of 20 years in KwaDukuza Municipality who are in possession Standard 10/Grade 12 and 5.7 % who are in possession of Higher Education Qualifications. Census 2011 revealed that 9.7% of the population in KwaDukuza Municipality has not attended school. This shows a 10.9% improvement in the education level since 2001 where there were 20.6 % of the KwaDukuza Municipality's population that had no form of schooling. This is positive for the municipality as it provides a skills base for the area that requires minimum training. The major challenge faced by

5.9.2. EDUCATION

Ward 27: Madundube			
2013/2014	2014/2015	2015/16	2016/17
Housing	1. Upgrade of roads	1. Upgrade of roads	
2. Land issue (security of tenure)	2. Electricity at "Tim Tim" area	3. Toilets	Community Hall
3. Roads Provincial (Roads)	3. Toilets	4. Youth employment and programmes	Housing at Enskeni
4. Clinic	4. Youth employment and programmes	Housing	Tender Consulting
5. Bus shelters in the main Roads	5. Skipper bins	3. Roads Provincial (Roads)	Street lights
6. Mngazu Road		4. Clinic	Skippers Bins
7. Mabhodweni to Thethwayo		5. Bus shelters in the main Roads	Enskeni Sportsfield
8. Mgaba to Nyongo Rd		6. Mngazu Road	
9. Madakeni Rd		7. Mabhodweni to Thethwayo	
10. Gcugcwa Rd		8. Mgaba to Nyongo Rd	
11. Mkhambeni to Myeza		9. Madakeni Rd	
12. Nsikeni Rd		10. Gcugcwa Rd	
13. Mthembu Rd		11. Mkhambeni to Myeza	
14. Mbustiswa Rd		12. Nsikeni Rd	
15. Ashville Rd		13. Mthembu Rd	
16. Inlils (ID Meer)		14. Mbustiswa Rd	
17. Enskeni Electricity (Eskom)		15. Ashville Rd	
18. Madundube High School		16. Inlils (ID Meer)	
		17. Enskeni Electricity (Eskom)	
		18. Madundube High School	

The 10 Major causes of Death (2009) have reached epidemics. Tuberculosis features prominently in the top 3 major causes of death for the District and the 4 sub-districts. This is reflected in Ilembe's TB health outcomes with the TB cure rate decreasing from 76% to 67% with the TB interruption rate increasing from 7% to 9%. Complications related to TB are resulting in deaths in facilities. Patients who die from HIV / AIDS related conditions have also been found to be co-infected with other conditions with a high correlation to TB.

Conditions of lifestyle e.g. diabetes, and cardiac conditions are conditions that can be controlled if medical attention is sought early and or preventative programmes are implemented. Community Health Worker Programme must be strengthened to address gaps. Some TB patients seek medical attention too late while others have a combination of conditions which impacts on clinical outcomes. TB is a social problem linked to poverty, overcrowding and poor social conditions as well as environmental factors to its increased burden. TB is weakening all the progress made in the fight against AIDS. TB is not only the number one cause of AIDS-related deaths in Africa but also the number one cause of all

5.9.3. HEALTH

TABLE 17 - EDUCATION SOURCE: STATS SA, 2011

EDUCATION (aged 20 +)	No Schooling	Higher Education	Matric	Primary Educational Enrolment	aged 6-13						
						2001	2011	2001	2011	2001	2011
KWAZULU-NATAL	21.9	10.6	4.8	6.9	21.6	30.4	89.4	90.3			
Ilembe Municipality	29.8	15.3	3.1	3.7	17.1	26.6	87.9	91.3			
KwaDukuza Municipality	20.6	9.7	5.1	5.7	21.1	28.2	85.2	91.2			

KwaDukuza Municipality is that there are very limited institutions for higher learning in area. The nearest institutions are further south in eThekweni or further north at Mandeni.

deaths in South Africa. Most deaths are related to HIV/AIDS complications which require intervention from preventative and primitive health programmes e.g. CCMT, HCT, and PMTCT.

Table 13: Major Deaths within Kwadukuza Municipality and Ilembe DM

Ilembe District	Kwadukuza
Tuberculosis	Pulmonary Tuberculosis
Retroviral Disease	Cerebral Vascular Accident
Cerebral Vascular Accident	Retroviral Disease
Meningitis	Gastro enteritis
Gastro enteritis	Meningitis
Pneumonia	Lower respiratory Infections
Congestive cardiac failure	Tuberculosis
Lower respiratory Infections	Congestive cardiac failure
Renal failure	Pneumonia
Diabetes	Anaemia

TABLE 19 - MAJOR DEATHS SOURCE: STATS SA, 2011

MORTALITY RATES, INFANT, CHILD AND MATERNAL SINCE 2009

Years	Ilembe District	Kwadukuza
Infant mortality per 1 000 population	2009	178
Proportion of inpatient deaths under 1 that died during their stay in the facility	2010	199
Child mortality per 1 000 population	2009	172
Proportion of inpatient deaths under 5 that died during their stay in the facility	2010	130

Building a Fire & Emergency Services Head-quarters, located along the R102. Commissioning satellite stations, aimed at servicing areas beyond 20-30 minutes response time range

The fire & emergency services has seen a strategic improvements to staffing levels, staffing complement now has reached? With the current scale of operations, our staffing complement remains adequate. Additional staffing requirements form part a set of long-term objectives, including - though not limited to:

5.9.4.1. Operational staffing

5.9.4. SAFETY AND SECURITY

Although KwaDukuza appears to have improved outputs, when tracking raw data a 29% increase in child deaths was recorded (106 child deaths/616 separations and 157 child deaths/1204 separations). Maternal Mortality in KwaDukuza was 166/100 000 live births and 433/100 000, Actual figures revealed that there were 11 maternal deaths/6632 live births and 26 maternal deaths / 5991 live births which is a 56% decrease in actual number of maternal death. Avoidable deaths linked to clinical care can be addressed through improvement of clinical skills through workshops training and teachable moments.

5.9.3.2. CHILD MORTALITY

In 2011 KwaDukuza infant mortality increased from 2010. The district appears constant with a slight increase in 2010. There were 145 infant deaths/ 1267 separation and 206 infant deaths/1612 separations, which is a 29% increase. In actual infant deaths however both district hospitals refer to Stanger. The District is planning to track numbers linked to the sub districts that appear in Stanger Hospital. Immunisation coverage and measles coverage less than 1 year have both increased significantly. Immunisation coverage was 87.0% and increased to 86% and measles coverage increased from 89% to 81%, which is an 8% increase.

5.9.3.1. INFANT MORTALITY

TABLE 20 - MORTALITY RATES INFANT CHILD AND MATERNAL SINCE 2009, SOURCE: STATS SA, 2011

Maternal Mortality per 100 000 live births	Maternal deaths occurring within 42days of delivery or TOP per 100 000 live births	
	2009	2010
433	346	131
166		

49

5.9.4.2. Training and development

Cadet Fire-fighters have received basic training, orientation course. After 2-years of service, these corps of Cadets are expected to go through training to capacitate them to Fire-fighter 1, Hazmat Awareness, code C driver's license and undergo departmental assessment.

Our training program is part of the employers' over-all capacity development program lead by the Human Resources Department.

5.9.4.3. Equipment and vehicles

The department is currently equipped with 4 x fire Engines at 2 stations, Ballito and KwaDukuza.

In addition to the above, general utility vehicles from part of the Fire & Emergency Services' fleet muscle:

Vehicle	Purpose	Base
1 Nissan Tida	General utility	Ballito
2 Nissan Tida	General utility	KwaDukuza
3 Nissan single-cab 4 x 4	General utility	KwaDukuza
4 Nissan single-cab	General utility	Ballito
5 Nissan double-cab 4 x 2	General utility	Ballito
6 Toyota Land-cruiser	Rapid response unit	KwaDukuza

5.9.4.4. Emergency service communications support

The current Emergency Call-Centre facility is housed at the Ballito Fire Station. Strategically, this remains a challenge for structural reasons. The ideal is to have this facility housed at a stand-alone facility preferably in KwaDukuza. The current call-centre solution is now obsolete. Administrative capacity remains manual with *Occurrence Books* used as primary means of record keeping.

Staffing for this facility remains inadequate for an ideal shift system of 4 x days on and 4 x rest days.

5.9.4.5. Auxiliary and administrative support

Our general support is made up of 2 x members, 1 at each station. Administrative support office is based in Kwa-Dukuza – staffed with 1 x person.

5.10. NATION BUILDING AND SOCIAL COHESION

The programmes tabulated below are implemented by the Department of Parks and Gardens

PARKS AND GARDENS

Programme	Activity	Areas where work is underway or completed
Alien Eradication Programme	Clearing of alien invasive plants	Pigeon wood swamp forest, water berry swamp forest, Gledhow south village, Blythdale, Zinkwazi
Resurfacing of netball/ tennis court	The tennis court was resurfaced	Stanger Heights (ward 16)
Refurbishment of a tennis court	Shakaville Tennis Court refurbished	Shakaville (ward 28)
Sports field upgrade	Upgrading of sports field	Lindelani (ward 5)
CRECHES / CHILD CARE FACILITIES		
Construction of three crèches	Crèches underway	Wards 14, 18, and 23
BEACH AMENITIES		
Upgrade of lifeguard towers and ablation facilities	Upgrade in various areas in has been completed.	Zinkwazi beach completed, Tinley Manor completed, Salt Rock is still underway

5.10.1. COMMUNITY DEVELOPMENTS

5.10.1.1. YOUTH DEVELOPMENT

As a developmental local government one of KwaDukuza's responsibilities is to play its part in addressing the imbalances of the past through developing a co-ordinated and integrated response to challenges facing young people within KwaDukuza. In the past the municipality has made significant achievement in developing its institutional capacity to make

Senior citizens have been one of the neglected sectors in terms of targeted programmes in all spheres of governance other than old age grants. The programme targeting senior citizens has recently been introduced at Provincial and District levels. With limited budget the municipality now hosts a formal event in celebration of the senior citizens. The event is to celebrate the lives of the senior citizens and affirm their value in the society. The municipality has launched senior citizens' forums in some of the wards. The municipality interacts with these structures as part of its public participation programme.

5.10.1.3. DEVELOPMENT FOR THE ELDERLY

The gender desk office is fairly new office within the municipality and does not have dedicated budget and integrated municipality's programme of action for the development of disabled people. There is a forum formed for disabled people. A database of people living with disabilities was compiled and assists in interacting with and developing streamlined programmes for them. The gender desk office has strengthened gender ward based committees and capacitated them well enough in order for them to be able to engage with such groups. One critical challenge is the fact that the municipality's offices are not easily accessible to the disabled people. In 2016/2017 financial year all gender forums are expected to implement an action plan which was compiled and circulated by the Premier' Office. The action plan entails number of activities for different gender groups.

5.10.1.2. DEVELOPMENT OF THE PEOPLE WITH DISABILITIES

The municipality initiated a number of developmental programmes for the youth namely, a bursary fund to assist youth from disadvantaged families to pursue their tertiary education. This has gone a long way in bringing hope to the beneficiaries. In 2013/2014 financial year, The Mayor's Office negotiated for a skills training programme with Umfolozi FET Training College whereby youth from different wards were enrolled at Mfolozi FET Training College in order to capacitate them with technical skills. They have been enrolling for different courses since then. In 2015/2016 and 2016/2017 financial years the courses that are underway are International Computer Drivers Licence, Grader Operations which is to be registered with a private institution, Public Administration, Civil Building and Construction and Brick laying and Plastering

positive change in the lives of young people. Some of the targeted interventions included formulation of the youth programmes which are budgeted for each financial year.

5.10.1.4. DEVELOPMENT OF WOMEN

Women Forums are still to be formed within wards where women will be empowered with skills to help them help themselves holistically. A Phila Mama Programme will have to be launched where mothers will be equipped with skills that will assist them raise their children in a proper way.

5.10.1.5. PEOPLE AFFECTED BY CRIME, HIV/AIDS, DRUGS ETC

HIV/AIDS

The District AIDS Council (DAC) is the co-ordination structure that addresses HIV/AIDS related matters. The DAC ensures that Local AIDS Council (LAC) of KwaDukuza is fully functional in Ward AIDS Committees (WACs) is functional in all 27 Wards. The HIV/AIDS Councils report quarterly to the Province about progress on HIV/AIDS prevalence in the District. The District Plan of the District AIDS Council has been developed to tackle poverty, HIV/AIDS, STI, TB and social ills in the District. People Living with HIV forum has been launched in the municipality then the District structure to ensure that PLWHA participate fully on HIV/AIDS Programs.

Number of infections and AIDS related death in KwaDukuza.

Identified Issues	
HIV/AIDS	
Population	172 915
HIV Positive	26 890
Aids Deaths	2 027

TABLE 20 - NUMBER OF INFECTIONS AND AIDS RELATED DEATH, ILEMBE INTELLIGENCE AND ECONOMIC INDICATOR REPORT Q1 2013

TABLE 22 - SOCIAL DEVELOPMENT SWOT ANALYSIS

<p>OPPORTUNITIES</p> <p>Economic opportunities for disabled people.</p>	<p>THREATS</p> <p>High TB infection. Long queues in pay points. Suitable housing for Elderly and Disabilities. Low number of disabled employed. Increasing a number of raped elderly & children. Shortage of elderly centres/lunch club Increasing number of Child headed family. Unfunded centre's for elderly & children. High HIV infection. Limited participation in development.</p>
<p>STRENGTHS</p> <ul style="list-style-type: none"> • Dedicated office and Manager in place • Municipality is recognized as a central point for support. • Budget for Gender, Elderly People with Disabilities and children available are limited. • Established local forums for special projects. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of funding for special programmes and projects. • Effective coordination & quality management on key programs not effective.

5.11. SOCIAL DEVELOPMENT SWOT ANALYSIS

The table above shows that KwaDukuza has experienced increases in violent robberies and attempted murder over past years. KwaDukuza has also recorded a rise in sex crimes.

Total Crime (SAPS, 2012)

TABLE 21 - TYPES OF CRIMES IN KWADUKUZA

Types of crime	Statistics in KwaDukuza Municipality
Crime	
Property related crimes	2000
Contact related crimes	14500
Contact crimes	12000

Types of Crime in KwaDukuza

5.10.1.6. CRIME

6. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

6.1. BUDGET ASSUMPTIONS

Bulk purchases for electricity has increased by 9, 5% in 2014/2015 due to Eskom's tariff increase

Supply and distribution of electricity will continue under the municipal license over duration of the MTRF

Refuse removal tariff increases as follows

9% in 2013/2014
9% in 2014/2015
9% in 2015/2016

Provision for a 6% increase for all staff remuneration costs, including MSA Section 57 employees

Partnership programmes with the National and Provincial Government

Major revisions to the current organogram cannot be implemented due to severe budgetary constraints.

There will be no changes made to the present powers and functions of the KDM during the budget year.

The average long-term cost of borrowings is 10.82%

The municipality is able to maintain its current high debt collection rates.

6.1.1. SIGNIFICANT EXTERNAL FACTORS

There is a slow recovery from the recession

Increasing fuel prices, with high Brent crude oil prices

The repo-rate has bottomed out and we are expecting to see moderate increase to the rate currency fluctuations.

Household consumption of Electricity for the duration of the MTRF

6.2. FREE BASIC SERVICES

As part of the SCOA classification process perfect alignment between the Municipal Budget and Reporting Regulations and specimen annual financial statements will facilitate the compilation of an appropriation statement and ensure compliance with the Standards of GRAP 24.

of this statement.

The MTRF is in line with the requirements of the GRAP standards. In terms of the Standards of GRAP 24 on Presentation of Budget Information in Financial Statements municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation

6.4. ALIGNMENTS WITH GRAP

In terms of Chapter 4, Section 16, of the MFMA, the operational and capital budgets for the 2014/2015 financial year, and the two subsequent years, attached hereto have been prepared according to the Municipal Budget and Reporting Regulations as gazetted in Government Gazette No. 32141 published on 17 April 2009.

6.3. BASES AND METHODOLOGY FOR FORECASTING BUDGET PROJECTIONS

Services	2014/2015	2013/2014	2012/2013
Free basic	23,770,350.97	21,440,503.29	18,733,080.43

The following are the costs of Free Basic Services for the previous 3 Years.

6.4.1. DEBT MANAGEMENT FRAMEWORK

Table 23: Borrowings

KZN292 KwaDukuza - Supporting TablesA17 Borrowing

Borrowing - Categorized by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand										
<u>Parent municipality</u>										
<u>Long-Term Loans</u>										
(annuity/reducing balance)										
		5,555	4,754	3,828	2,955	2,829	2,829	1,753	1,139	741
Long-Term Loans (non-annuity)		52,738	77,431	157,090	284,353	196,400	196,400	183,527	171,598	160,444
Municipality sub-total	1	58,292	82,185	160,918	287,307	199,229	199,229	185,280	172,738	161,185

The above indicates loans taken up and loans to be drawn down by the municipality over the entire MTREF. Projects funded by way of external borrowings will have to be scheduled and aligned to the negotiated draw down schedules that were provided to the financing institutions upon signature of the loan agreements with ABSA and DBSA.

KDM's anticipated borrowings commitment over the MTREF are as follows:

2014/2015	R199 229 000
2015/2016	R185 280 000
2016/2017	R172 738 000

Borrowings are taken up to fund the assets only. To develop the electricity infrastructure, council allocated 51% of the total loan in the MTREF to the upgrade of the electrical infrastructure. These projects have been informed by the Energy Master Plan. To implement the roads master plan projects 44% of loan funding was set aside. The municipality is not at a position to take up additional loan funding in the MTREF due to the tight gearing ratio.

6.4.2. GRANTS

Some of the KwaDukuza Municipality's objectives are funded in the form of grants and subsidies. The Division of Revenue Act outlines the equitable division of nationally revenue raised nationally among the national, provincial and local spheres of government for the 2014/15 financial year onwards.

Table - Division of Revenue Act Allocations (DORA) from 2014:2015

Below are grants which have been allocated to KwaDukuza Municipality by National, Provincial Treasury and other Government departments. Only approved rolled over grants are included in the MTREF. Grants are allocated to the budget as per the Division of Revenue Act and are verified by National and Provincial Treasuries.

Transfers and Grants Receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		61124	93,699	103,082	113,849	119,995	119,995	111,419	120,045	129,608
Local Government Equitable Share		58,884	72,649	77,550	87,677	87,677	87,677	105,352	114,767	124,033
Municipal Systems Improvement		790	800	890	934	992	992	450	957	1,033
Finance Management		1,450	1,500	1,550	1,700	1,700	1,700	1,400	1,725	1,800
EPWP Incentive		-	1,000	1,000	1,248	1,377	1,377	1,418	-	-
MIG Funded PMU Costs		-	1,750	2,092	1,397	1,397	1,397	2,499	2,596	2,742
MIG Transfer to Llembe		-	16,000	20,000	20,000	26,852	26,852	-	-	-
NDPG Operational		-	-		893	-	-	300	-	-
Provincial Government:		7,885	9,807	8,187	6,440	19,629	19,629	7,903	8,638	8,826
Health subsidy		4,625	1,205	-	-	-	-	-	-	-
Sport and Recreation		150	150	-	-	-	-	-	-	-

Provincialisation of Libraries	1,220	1,281	2,690	2,800	2,800	2,800	-	-	-
Thusong Centre	500	-	-	-	10	10	-	-	-
Museum Subsidy	125	134	284	299	151	151	166	175	184
Community Library Service Grants	100	191	240	252	358	358	510	537	565
Entlembeni/Charlottesville Percent	500	-	-	-	-	-	-	-	-
Community Participation in IDP	-	-	-	300	300	300	-	-	-
MPCC	665	-	-	-	69	69	-	-	-
Housing Accreditation	-	6,846	4,973	2,789	15,941	15,941	4,333	4,878	4,878
District Municipality:	474	314	-	-	346	346	-	-	-
Ilembe Shared Services	474	314	-	-	346	346	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	69,483	103,820	111,269	120,289	139,970	139,970	119,322	128,683
Capital Transfers and Grants									
National Government:	30,975	28,306	47,749	41,490	68,031	68,031	81,772	67,329	62,092

Municipal Infrastructure Grant (MIG)	28,975	17,399	19,749	26,544	48,892	48,892	47,485	49,329	52,092
Neighbourhood Development Partnership	-	2,907	23,000	14,946	18,952	18,952	15,507	-	-
Electricity Demand Side Management Grant	-	8,000	-	-	-	-	-	-	-
INEP	2,000	-	5,000	-	187	187	18,000	18,000	10,000
Municipal Systems Improvement	-	-	-	-	-	-	480	-	-
Finance Management	-	-	-	-	-	-	300	-	-
Other capital transfers/grants [insert desc]	-	-	-	-	-	-	-	-	-
Provincial Government:									
Sports and Recreation	2,739	16,946	-	-	17,049	17,049	1,545	-	-
Corridor Funding	150	150	-	-	-	-	-	-	-
Rehab of Kwadukuza Museum	-	11,000	-	-	10,563	10,563	-	-	-
Small Town Rehabilitation Grant	-	1,000	-	-	-	-	-	-	-
Housing Accreditation	-	-	-	-	3,000	3,000	-	-	-
Disaster Rough Seas	2,589	4,796	-	-	290	290	545	-	-
District Municipality:	-	-	-	-	3,196	3,196	1,000	-	-

Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	33,714	45,252	47,749	41,490	85,080	85,080	83,317	67,329	62,092
TOTAL RECEIPTS OF TRANSFERS & GRANTS		103,197	149,072	159,018	161,779	225,050	225,050	202,639	196,012	200,526

6.5. REVENUE ADEQUACIES AND CERTAINTY

It is of vital importance that the municipality has adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. The Division of Revenue Act (DORA) has laid out the level of funding from National Government that will be received for the 2014/15 to 2016/17 MTRF. Information about the available funding will illustrate the Municipality's position more accurately.

6.5.1. Cash/Liquidity Position

Cash management is crucial for the short and long-term survival and good management of the organization. To assess the financial standing of the municipality, a current ratio will be used, this ratio expresses the current assets as a proportion to current liabilities. A current ratio of 2:1 and greater is considered to be healthy. At the moment, based in the audited AFS the municipality's is 2.4:1

6.5.2. Revenue Enhancement

The municipality has awarded an external service provider the contract to independently and objectively develop a revenue protection and enhancement strategy.

This includes suggestions to the revenue related policies.

The project also included various components of data collection which has been undertaken. The municipality now has the responsibility to upload this data. This is envisaged to be completed by June 2015.

6.5.3. Debt Position

The main categories of consumer debt stated below have been extracted from the Annual Financial Statements:

Rates: Ageing					
2014	2013	2012			
Current (0 – 30 days)	12 298 967	10 106 313	1 230 208		
31 - 60 Days	5 021 086	4 287 535	8 335 497		
61 - 90 Days	3 515 759	3 437 698	4 868 039		
91 - 120 Days	2 906 066	3 042 756	3 512 894		
Greater than 120 days	52 013 432	58 629 492	61 868 638		
Total	75 755 310	79 503 793	79 815 276		
Electricity: Ageing					
2014	2013	2012			
Current (0 – 30 days)	50 519 144	48 794 378	37 172 668		
31 - 60 Days	2 579 958	2 353 585	7 419 507		

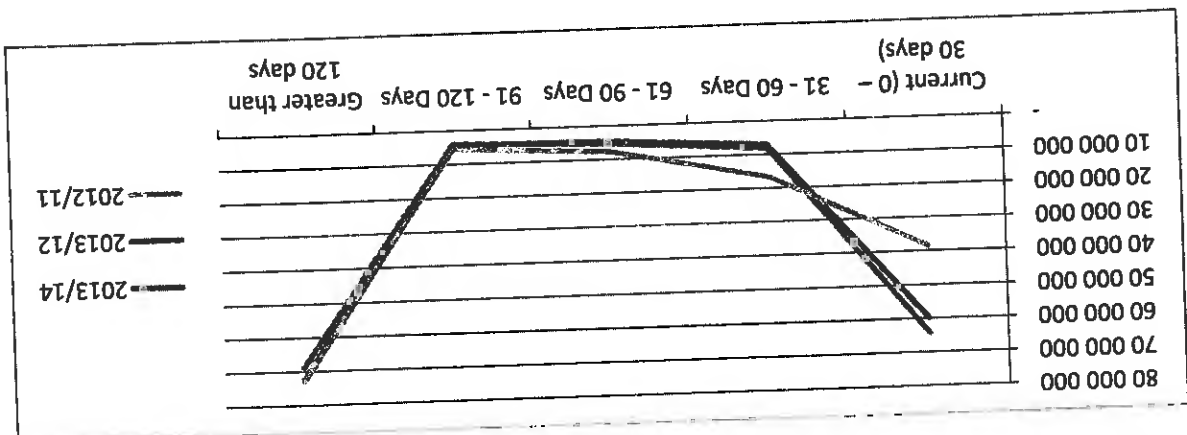
Services provided at all levels should be affordable.

The municipality must ensure that the budget is balanced, funded and credible. Revenue must exceed expenditure.

6.5.4. Sustainability

As it can be noted the current debt is rather high, however this will be paid in the normal course of operations. The % of debt over 120 days is also comparatively high, although this is mainly caused by outstanding rates and refuses debt. Given the high costs of collections the municipality is aggressively exploring alternate means of reducing this debt.

Graph 7 - total debt



The total debt can be graphically represented as follows:

Refuse: Ageing			
2012	2013	2014	
61 - 90 Days	2 391 346	1 495 749	952 234
91 - 120 Days	1 752 575	965 403	1 136 774
Greater than 120 days	5 570 273	11 795 950	8 696 783
Total	54 306 369	67 356 204	61 933 753
Total			
Current (0 - 30 days)	1 16 739	1 507 857	1 079 209
31 - 60 Days	850 854	494 812	477 826
61 - 90 Days	463 702	390 619	335 992
91 - 120 Days	339 605	318 765	304 268
Greater than 120 days	5 642 918	5 105 719	5 054 348
Total	7 413 818	7 817 772	7 251 642

6.5.5. Accountability, Transparency and Good Governance

KwaDukuza Municipality is responsible to the people who provide the resources, for what they do with those resources. The budget process and other financial decisions are open to public participation. It is critical that accurate information is produced within acceptable time-frames. KDM remains accountable to the community who provides the financial resources through either payments of rates and tariffs, or service.

6.5.6. Equity and Redistribution

KwaDukuza Municipality must treat people fairly and justly when it comes to the provision of services, just as KwaDukuza Municipality expert to be treated, equitably by the national and provincial government when it comes to inter-governmental transfers. KwaDukuza must ensure that redistribution is in line with the IDP.

6.6. EXPENDITURE MANAGEMENT

Salary Expenditure

2013/14	2013/12
Employee Costs	244 049 035
Total Expenditure	951 333 804
% Expenditure	26%
	25%

As it can be seen above the salary % has remained well within the norm of 30 % - 35 %. It has however been identified that there are currently posts not filled on the organogram. This process will therefore be required to be carefully managed to ensure we remain within the norm.

6.7. BORROWING COSTS

Maximum average borrowings cost is averaged to be 10.82%. The cost of borrowings i.e. interest charges, have a definite impact on the budget. It would appear that the interest rates have bottomed out, and it is expected that regular marginal increases can be expected throughout 2014/2015. Of the proposed capital budget of R439m, a significant portion (R122m)

is to be funded by way of borrowings. Cost of borrowings has been provided for in the municipality budget in the Medium Term Revenue and Expenditure Framework. KwaDukuza Municipality must honour all its loan obligations timously. Failure to effect prompt payment will adversely affect the raising of future loans at favorable interest rate. Failure to pay any loan installment will have severe repercussions, and may jeopardize the municipality's credit rating. In addition to the timely payment of the loans, the municipality should adhere to the covenants stipulated in the loan agreements and the under-mentioned are some examples of typical covenant requirements:

- furnish audited annual financial statements timously
- reporting of material changes in financial position of the Municipality
- material changes in the functions, power and duties of the Municipality

6.8. EMPLOYEE RELATED COSTS

The percentage of Employee Related Costs (including councilor allowances) to total expenditure does not exceed the benchmarks.

6.9. CAPITAL BUDGET

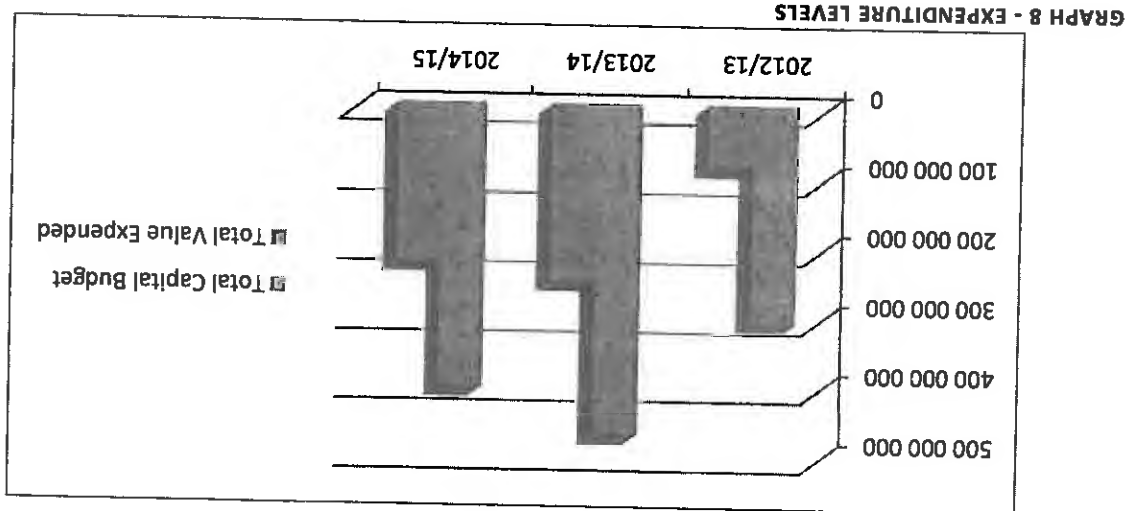
The below table reflects the capital expenditure of the municipality over the previous three years.

	2012/13	2013/14	2014/15
Total Capital Budget	314 825 701	475 049 095	408,249,521
Total Value Expended	88 700 777	254 705 444	228 799 251
% Expended	28%	54%	56%
Total Value Unspent	226 124 924	220 343 651	179450270
% Unspent	72%	46%	44%

TABLE 24 - CAPITAL EXPENDITURE

As it can be noted the total capital budget grew significantly year on year. This significant growth rate has had a negative impact of the municipality's ability to spend its budget. Improvement measures have been implemented which resulted in expenditure rising from 28 % in 2012/13 to 52 % in 2013/14 and 56% in 2014/15

Below is a graphical representation of the expenditure levels to date:



The municipality is confident of achieving 75 % expenditure for the 2015/16 period.

We have:

- Implemented a monthly committee meeting to specifically accelerate projects
- Established clear bid and SCM processes to be followed, &
- Addresses capital challenges on a weekly basis at MANCO

6.10. FREE BASIC SERVICE

The municipality offers the following free basic services:

- Rates
- Refuse
- Electricity

All indigents receive 75 kwh free electricity and do not pay for refuse. Rates are payable on properties with a value over R130 000. The indigent consumer has to complete an application form which is signed by the ward councillor and staff. An acknowledgement receipt is given to the consumer to confirm receipt. The municipality has an indigent policy, which is

reviewed annually. All consumers are managed in terms of this policy. It should be noted that with regards to Rates, the valuation threshold is R130 000.00. This threshold encompasses the lowest income housing rates account.

6.11. AUDITOR GENERAL'S OPINION

For the year 2014/2015 financial year KwaDukuza Municipality received unqualified with findings and was also the same for the 3 outer years.

6.12. FINANCIAL VIABILITY & MANAGEMENT SWOT ANALYSIS

THREATS	OPPORTUNITIES
<p>Financial Performance slipping and legislative deadlines being breached due to high vacancy rate and an inability to attract the right skills set.</p> <p>Electricity theft.</p>	<p>Income generated from traffic fines.</p> <p>Electricity income.</p> <p>Provision of bulk.</p>
WEAKNESSES	STRENGTHS
<p>High vacancy rate.</p>	<p>GRAP Compliant Budget.</p> <p>GRAP Compliant AFS.</p> <p>Highly skilled finance officials in certain critical functional areas.</p> <p>Finance Department is not reliant on consultants.</p> <p>A high revenue collection etc.</p>

TABLE 25- FINANCIAL VIABILITY & MANAGEMENT SWOT ANALYSIS

7.1. GOOD GOVERNANCE ANALYSIS

Good Governance in general is widely recognized as providing the framework and tools required in ensuring that organizations are progressive and can operate in an effective and accountable manner. From a local government perspective, the framework reinforces the statutory authority and responsibility of a corporate body and assists the elected representatives and management in the delivery of quality and sustainable services.

One of the critical components in formulating a credible IDP is the level of participation by all three spheres of government. This is important as it ensures co-operative governance; this is core in our democratic society. It is important to acknowledge that the communities that we serve, view government as a single uniform structure, there is little regard for jurisdiction and the autonomous nature of these spheres. It is thus critical to establish effective inter-governmental relations; this is perhaps the most critical component of achieving efficient and effective service delivery. The KwaDukuza Municipality has, over the years, advocated for greater synergy between all spheres of government providing services within its municipal area. The municipality has held successful engagements with provincial departments in an attempt to align municipal and provincial strategies in a manner that is responsive to the needs of the community.

7.2. CHALLENGES

- The issue of alignment between financial years for all three spheres of government still poses some difficulty in terms of sourcing project information linked to budget allocation,
- The lack of co-operation and integration of actions by the various spheres of government.

7.3. NATIONAL AND PROVINCIAL PROGRAMMES ROLLED OUT AT MUNICIPAL LEVEL

Operation Sukuma Sakhe (OSS) is the Programme headed by the Premier in the Province and is headed by the District Mayors in the Province. It is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV & AIDS and TB. The OSS Programme is done in partnership with the community to work together to rebuild the basics of the society

The schedule of the IGR sub forum meetings is prepared such that all sub forum meet quarterly. The Technical Support Forum feeds into the District Intergovernmental Relations Forum. Any matter that would go to the District Intergovernmental Forum needs to have been considered by the Technical Support Forum. If there are urgent matters

coordination of the targeted support, development efforts and resources.

Technical Structures – act as the data and information agencies of the national, provincial and districts area to support

Municipality as part of Lembe District family is an active member of Lembe Mayors and Speaker's Forums.

Political Structures – discuss and monitor the fulfilment of the legislative mandates of government. Kwadukuza Local

structured.

Kwadukuza Municipality actively participates in the Lembe District forums which are politically and technically

7.4.1. Kwadukuza Local Municipality IGR Structure

of powers and functions.

municipalities which may include matters of effective provision of service delivery, shared services and management Forums (DCF) are intended to promote and facilitates collaboration between the district municipality and its local broader areas of policy, legislation, implementation, coordination and alignment, while the District Intergovernmental structured to discuss national, provincial and local interest. They are also to discuss issues raised by the PCC and government. The Provincial Intergovernmental forums popularly known as Premiers Coordinating Forum (PCF) are of national interests relevant to that particular with provincial government and where needed with organized local Coordinating Council), and Ministerial Consulting Forums (MINMECS) are established to raise and decide on matters resolutions and policy intent of government across the spheres. The National Intergovernmental Forums (Presidents three spheres of government. Intergovernmental Forums therefore have a key role to play in disseminating the The National Development Plan, vision 2030, has strongly recommended an improvement of relations between the

7.4. KWADUKUZA INTERGOVERNMENTAL RELATIONS

Organizations and Business Sector.

and the nation. Each Government Department in the District is represented in the District Task Team of the Operation Sukuma Sakhe which meets every alternate Tuesdays. Other Stakeholders in the OSS includes Non-governmental

in the District Intergovernmental Forum and there is no time to convene a Technical Support Forum, Municipal Managers are invited to attend the meetings together with the relevant senior managers.

Structure depicting IGR in the district:

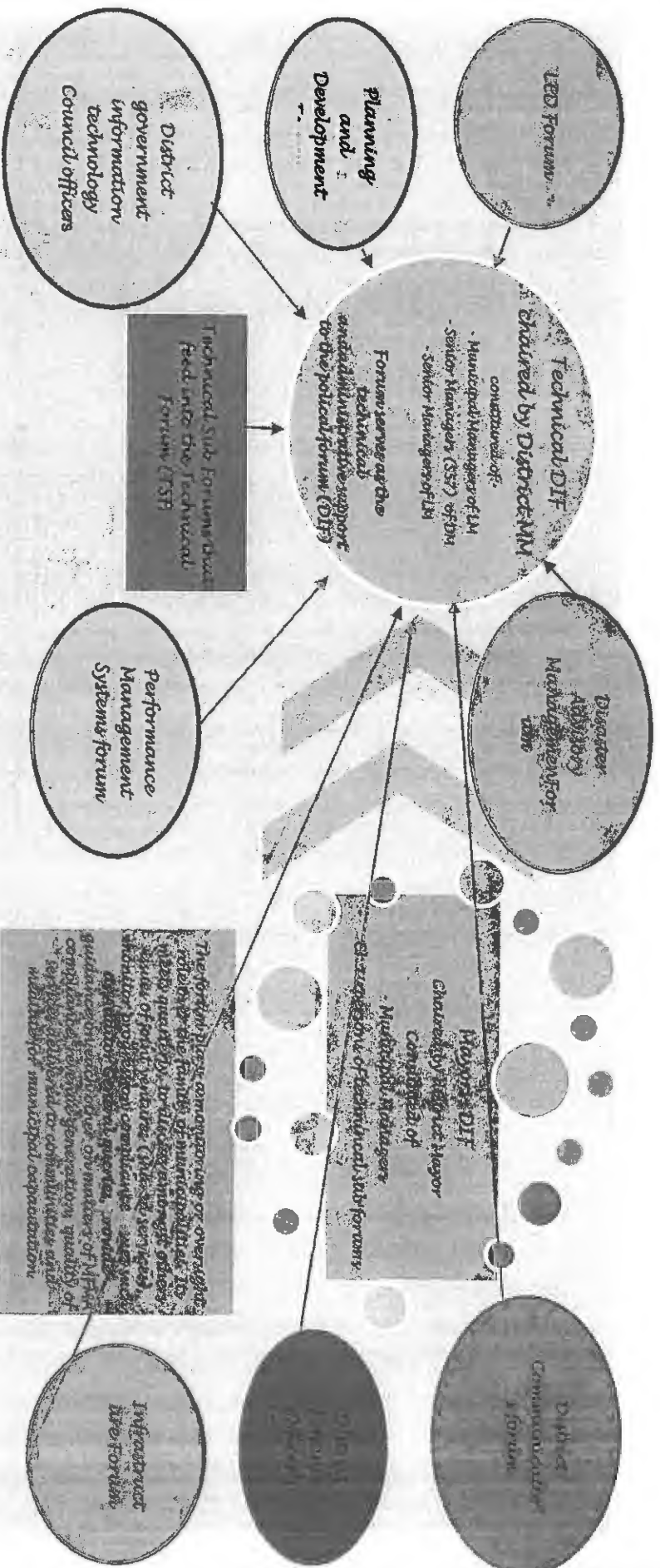


FIGURE 13 - INTERGOVERNMENTAL RELATIONS STRUCTURE

7.4.2. The Role of KDM IGR

The role of KDM IGR is to ensure a coordinated and integrated approach to service delivery by actively participating in the following District/Provincial IGR activities (meetings, planning consultations, information sharing sessions, dispute resolutions and reporting).

7.4.3. Interface between Provincial and District IGR

The Mayors of the District and Local Municipalities attend the Premiers Coordinating Forum and reports get consolidated at District level and are circulated to all local municipalities before the Premiers Coordinating Forum meeting.

7.4.4. The District IGR Calendar

The calendar is consolidated by 1st of July each year. Special meetings get scheduled as and when a need arises.

7.4.5. Processes between Local Municipalities and District Municipality for Agenda Setting

The agenda gets circulated to all local municipalities for input within set timelines for all IGR structures.

7.4.6. IGR CHALLENGES

The constitution of the Republic of South Africa builds in a tension between national direction and locally defined perspectives and contexts. Each sphere is democratically elected and has its own electoral mandate to fulfil. Yet, these mandates may not be achievable without cooperative efforts between the spheres.

- Too many forums have to be attended and some are not always relevant.
- Political agendas sometimes serve as an obstacle to effective IGR.
- IGR meetings are not attended by the correct level staff due to a lack of capacity.

There needs to be more communication and promotion of IGR to provincial political leadership and accounting officers.

7.4.7. IGR ACHIEVEMENTS

The intergovernmental relations are about promotion of cooperation between the three spheres of government. The IGR forums operate under the IGR framework Act (2005) which promote co-operation between the national,

is bringing to life the slogan "Government for the people, by the people."

working of all government departments in a particular war room. Indeed, Operation Sukuma Sakhe in Kwadukuzi of the month the Local Task Team visits a certain war room to get reports on its functionality and monitor the against poverty, HIV, unemployment and other social ills that take place at ward levels. On every last Wednesday Sector Departments realise that Operation Sukuma Sakhe is a massive mobilisation of all stakeholders in the war responsibility and effecting change in their lives and the lives of others around them.

information from the community through the war rooms. As a result community members are now taking the Councilors, the local conveners and everybody is on board because they come into contact with authentic that, at all levels of authority and community, there is an understanding of issues within a community. The Mayor, All stakeholders work together to find solutions to the problems identified through household profiling. This means society and engage with government on their challenges.

participation in the affairs of government. Community members participate in war rooms where they sit with civil receive social grants, housing and basic services. Operation Sukuma Sakhe programme encourages public Municipality. With the establishment of war rooms in all 27 Wards a number of people have been assisted to Operation Sukuma Sakhe brought a profound success on improving the lives of the people of Kwadukuzi

7.5. OPERATION SUKUMA SAKHE IN KWADUKUZA

communities of Kwadukuzi Municipality.

The district synergised planning and service delivery efforts thus intensifying the impact in changing lives of the with expertise through shared services

KDM's participation in the district/Provincial IGR Forums has enhanced the municipality housing and LED projects Some level of effective coordination has been achieved on the process of drafting and developing IDP within KDM.

(Corporate Governance).

connection therewith. Kwadukuzi Municipality has dedicated administrative capacity to co-ordinate IGR the determination of an equitable sharing and allocation of revenue raised nationally; and to provide for matters in provincial and local spheres of government on fiscal, budgetary and financial matters; to prescribe a process for

7.6. MUNICIPAL STRUCTURES

7.6.1. WARD COMMITTEES

The new ward committee members were elected in line with the Municipal Structures Act of 1998 during the month of August 2011. KwaDukuza Municipality has 270 Ward Committees. The inauguration ceremony was held in December 2011. All ward committees are committed to serve their communities though not all are fully functional. The municipality conducts a number of workshops in order to capacitate them.

Furthermore the municipality has set resources aside to assist with the operational costs of the ward committee structures to enrich public participation. The IDP systems have also been put in place to effectively and efficiently deal with ward committee issues. The Speaker's Office is responsible for conducting monthly ward committee meetings to provide more support and ensure that issues that are deliberated at these meetings are service delivery based and that Council addresses the issues raised at such meetings.

7.6.2. PARTICIPATION OF AMAKHOSI

Section 81(1) provides that Traditional leaders identified by the MEC must be allowed to attend and participate in any meeting of Council. In KwaDukuza Municipality, the status is:

Issue	Status on the participation Amakhosi
List of Amakhosi in KwaDukuza Municipality	Nkosi D.Z. Gumede, Nkosi V.B. Mathonsi, Nkosi B.M. Cele, Nkosi A.M. Zulu, Nkosi H.K. Dube and Nkosi H.K. Dube.
Induction of Amakhosi	-Induction of Amakhosi took place on the 9 th June 2015 which was facilitated by both KDM and COGTA. -The focus was mainly on the functioning of Council and municipality in line with 2011 adopted KDM standing rules and orders. -Introduction and Orientation of Amakhosi was also conducted.
Sweating in ceremony and orientation of Amakhosi	-The ceremony was done jointly with Ilembe District Municipality and other local municipalities.
Allocation per Committee in the Municipality	-They are allocated each committee of Council as per each committee as follows: 1. Nkosi D.Z. Gumede-Executive Committee 2. Nkosi V.B. Mathonsi- Infrastructure and Technical Committee 3. Nkosi B.M. Cele- Economic Development and Planning Portfolio 4. Nkosi A.M. Zulu- Municipal Services Portfolio

5. Nkosi H.K. Dube- Finance Portfolio	
Allowances and Tools of Trade	-Each iNkosi is given R600 per day for sitting in meetings/ workshops. -No tools of trade are extended to Amakhosi due to budgetary constraints.
Participation on the Municipal engagements such as events and Public meetings to address various service delivery issues	-All the 4 Amakhosi participate in terms of attending meetings and in the KDM roll out of service delivery at ward level.
Achievements	-Mutual respect between the municipality and Traditional Leadership Institution. -Joint participation on service delivery matters. -Sharing of common service delivery infrastructure.
Challenges	-Non-attendance by iNkosi H.K. Dube
Proposals to ensure and enhance the participation of Amakhosi	-Compile a questionnaire to be filled by Amakhosi on how best KDM can improve working relationship.
Attendance per iNkosi	Attendance per iNkosi varies according to their availability. However since their inauguration, attendance in Council meetings could be rated at 80%

7.7. IDP REPRESENTATIVE FORUMS / PUBLIC CONSULTATIVE MEETINGS

The IDP Representative Forum meetings take place once a quarter where Public Representatives and Sector Departments are invited. Below is a schedule of Consultative Public Meetings that were held in preparation for review of the IDP for 2016/2017 financial year:

Date	Ward	Venue	Time
6 November 2015	02, 03	Zamani Community Hall Nyathikazi Community Hall	09h00 14h00
11 November 2015	06	Ballito Library	18h00
13 November 2015	23, 08	Shaymoya Community Hall Nkobongo Community Hall	09h00 14h00
18 November 2015	17	Stangor Manor Hall	18h00

The Internal Audit Unit operates under the Office of the Municipal Manager. It is an independent unit. The objective of this unit is to bring assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Head of the unit administratively reports to the Municipal Manager and functionally to the Audit Committee. The unit has four internal audit officers and a manager.

7.9. INTERNAL AUDIT COMMITTEE

To assist performing the oversight role KwaDukuza Municipality has also established the following committees:

7.8. OVERSIGHT COMMITTEE

FIGURE 5 - PUBLIC CONSULTATIVE MEETINGS 2016/17

20 November 2015	04, 22	Shakashead Community Hall Shakaskraal Primary School	09h00 14h00
22 November 2015	13, 18	Glenhills Multi-purpose Hall Tshelenkosi Secondary School	09h00 14h00
25 November 2015	19	KwaDukuza Municipality	18h00
27 November 2015	05, 27	Lindelani Community Hall in Extension 36 Emabhodweni Open Space	09h00 14h00
29 November 2015	15, 14, 26,09,10	Sofaya Grounds Grootville Market Ground	09h00 14h00
02 December 2015	16	Mdoniville Community Hall	18h00
04 December 2015	21	Driefontein Community Hall	09h00
05 December 2015	01, 25	SokeSimbone Community Hall Vulingqonda Community Hall	09h00 14h00
06 December 2015	11, 12, 07, 20	Thembeni Sport field eTete Sportfield	09h00 14h00

The scope of work of the Internal Audit Unit entails, inter alia, whether KwaDukuza Municipality's risk management, control and governance processes as designed by Management are adequate and functioning in a manner to ensure:-

Risks are appropriately identified and managed;
 Interaction with various departments within the municipality and other stakeholders occurs;
 Significant financial, managerial and operating information is accurate, reliable and timely;
 Employees' actions are in compliance with relevant policies, standards, procedures and applicable laws and regulations;
 Resources are acquired economically, used efficiently and adequately protected;
 Programmes, plans and objectives are achieved;
 Quality and continuous improvement are fostered in KwaDukuza Municipality's control processes;
 Significant legislative or regulatory issues impacting on the Municipality are identified and adequately addressed;
 Evaluation and reporting on the Municipality's Performance Management

7.10. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Following the guidelines of the Department of Co-operative and Traditional Affairs the Council has established a Municipal Public Accounts Committee. The Committee consists of 5 Councillors of the municipality, who are not members of the Executive Committee. The Chairperson of the committee is appointed by the Council. The functions of the Committee include examination of the Annual Report based on the Annual Report and other service delivery related matters. It initiates any investigation in its area of competence and performs any other function assigned to it by resolution of the Council. The committee also examines:

- a) The financial statements of all executive organs of Council,
- b) Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal Entity.
- c) Any other financial statements or reports to the Committee by the Council.

7.11. BATHO PELE

The municipality has established a Service Delivery Committee which identifies and addresses issues on customer relations, service delivery. The committee is made up of representatives from each department within the

A Risk Management Policy has been adopted by the Executive Committee. It enables management to proactively identify and respond appropriately to all significant risks that could impact on municipal objectives. The Municipality

and reviews risks continuously.

and developed specific mitigating strategies, plans or actions should the need arise; and also records, monitors risks for the benefit of the Municipality. The Municipality has put in place mechanisms to identify and assess risks management was conducted with an aim of ensuring that management understands the importance of managing departments however every employee is responsible for risk management. Risk Assessment workshops with procedures and constraints. Responsibility for the risk management resides mostly with line management in all appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that

managing and monitoring all known forms of risk across the municipality.

risk management. The focus of risk management in KwaDukuza Municipality is on identifying, assessing, The MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient and transparent system of

7.13. MUNICIPAL RISKS MANAGEMENT

d) The Assets Disposal Committee

c). The Bid Adjudications Committee

b). The Bid Evaluations Committee

a). The Bid Specifications Committee

committee and also spread the work load amongst the managers tasked. The committees are as follows:
members of the extended management committee to assist with speeding up the turnaround times of bid namely, Bid Specification, Evaluation and Adjudication. Accordingly the Municipal Manager has appointed in terms of the MFMA and the SCMP the Accounting Officer must appoint members of different bid committees

7.12. MUNICIPAL BID COMMITTEES

municipality. This will then mean that the implementation of the Batho Pele principles will be monitored under this auspice. A launch to the entire municipality was undertaken in 2013/2014 financial year.

has the MANCO Risk Management Committee which is made of the Municipal Manager, Head of Departments, Internal Audit Unit, its role is to guide the development and implementation of Risk Management and to review and monitor key performance areas of the municipality on a regular basis and bring critical risks to the attention of various committees within the municipality.

The Top 10 Inherent risks have been highlighted as per risk workshop conducted by Provincial Treasury. These risks are as follows:

- Asset Management: Facilities Maintenance;
- Strategic Planning: Performance Management Systems;
- Electricity Infrastructure;
- Financial Management: Supply Chain Management;
- Electricity Infrastructure;
- Electricity: Provision;
- Facilities Management: Municipal Buildings;
- Municipal Services: Cemeteries Management;
- Financial Management: Assets Management;
- Municipal Services: Fire Rescue Services.

The Top 10 Residual risks have been highlighted as per risk workshop conducted by Provincial Treasury. These risks are as follows:

- Asset Management: Facilities Maintenance – there is currently no control in place to address this risk and therefore this risk area will not form part of the internal audit plan for testing until such time that management implement controls as per commitments made during the risk process;
- Strategic Planning: Performance Management System – this is included for testing as it is a legislative requirement although the controls here have been rated by management as weak;
- Municipal Services: Cemeteries Management - (risk is not directly controllable – mostly related to a lack of suitable land);
- Electricity Infrastructure (Audit Committee to provide direction on these);
- Electricity: Provision;
- Financial Management: Supply Chain Management – included in audit plan;
- Electricity Infrastructure;

- Facilities Management: Municipal Buildings - there is currently no control in place to address this risk and therefore this risk area will not form part of the internal audit plan for testing until such time that management implement controls as per commitments made during the risk process;
- Economic Development Planning: Housing Provision – included in audit plan;
- Financial Management: Tender Awards – included in audit plan.

7.14. MUNICIPAL BYLAWS AND POLICIES

The Council has developed a set of by-laws in line with the proclamation of standard by-laws by the provincial MEC for Local Government. The municipality has developed and adopted a number of policies and some are being developed.

Table 18: Internal Policies

Policies
Learnships Procedures & Guidelines Policy
Overtime Policy
Human Resource Policy
Risk Assessment Plan
Employment Equity Plan
Skills Development Plan
Recruitment and Selection Policy & Procedure
Employment Equity Plan
Housing Allocation Policy
Communication Plan
Supply Chain Management Policy
Financial Plan
Rates Policy
Petty Cash Policy
Indigent Policy
Procurement Procedures Policy
Cash Management and Investment
Credit Control and Debt Collection Policy
Fleet Management Policy
Fraud Prevention Policy
Policy on Leases, Contracts
HIV & AIDS Policy
Ward Committee Policy & Procedure

TABLE 26 - INTERNAL POLICIES

7.15. GOOD GOVERNANCE AND PUBLIC PARTICIPATION SWOT ANALYSIS

<p>STRENGTHS</p> <p>Effective IGR forums Regular Mayoral public meetings Communications Department Bulk SMS system as means of communicating with stakeholders.</p>	<p>WEAKNESSES</p> <p>Poor level of Service delivery by some contractors. Service Delivery riots. Call-Centre not fully functional- calls at times go unanswered</p>
<p>OPPORTUNITIES</p> <p>CDWs and Ward Committees to assist with communicating municipal information with the stakeholders. Monthly ward committee municipal meetings to dispatch service delivery information. Municipality's newspaper (Khuluma Maspala for communicating municipality's news to the communities.</p>	<p>THREATS</p> <p>Deviations being a norm for Corp Government-vetting, change of scope etc. Poor planning & nonexistence of SALGA games business plan. Lack of understanding of the SCM policy and Lack cooperative approach to Public participation.</p>

TABLE 27 - GOOD GOVERNANCE SWOT ANALYSIS

SECTION D: DEVELOPMENT STRATEGIES

1. MUNICIPALITY'S VISION

"By 2030 KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically, and in sustainable manner".

In a Municipal Legkotla held in 2011, the municipal vision was amended to ensure that there is alignment with the National Planning Vision and the Provincial Growth and Development Strategy. Like the vision that was adopted in year 2000, the new long-term vision is geared towards achieving the mandate of local government as enshrined in the Constitution of the Republic of South Africa, Act 108 of 1996, Section 152, suggests the following as the mandate for local government:

To promote democratic and accountable local government;

To ensure the provision of services to communities in a sustainable manner;

To promote social and economic development;

To promote a safe and healthy environment; and

To encourage the involvement of communities and community organizations in the matters of local government

The long term vision of KwaDukuza Municipality is based on five principles of Sustainable Development, which are: economic development; social development; environmental development; physical development and good governance.

2. DEVELOPMENT STRATEGIES

In order to achieve 2030 vision and to address the development challenges, there are a number of key strategies and objectives which need to be taken into consideration. These KDM's strategies are tabulated below:

Table 19: KDM's Strategies

National Key Performance Area: Municipal Transformation and Institutional Development						
KZN Strategic Goals: Human Resource Development						
KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicator	Performance targets	
The formulation and implementation of HRD Strategy	An efficient, effective and development orientated state	To transform staff appointment at management level: Highest Three levels :- 1) Top Management MM, ED, and Directors (Task Grade 19 -26) 2) Senior Management (Task Grade 16 -18) 3) Professionals (Task Grade 14 -15)	OPMS:01	% of people from designated employment equity target groups employed in the three highest levels of management in accordance with the municipality's employment equity plan (NEPI)	Maintain 100% appointment in the 3 highest levels :- Highest Three levels :- 1) Top Management MM, ED, and Directors (Task Grade 19 -26) 2) Senior Management (Task Grade 16 -18) 3) Professionals (Task Grade 14 -15)	
The formulation and implementation of HRD Strategy	A skilled and capable workforce to support an inclusive growth path	3.1.2 To increase appointment of vulnerable groups within staff complement	OPMS:02	Percentage increase of employees employed in accordance with the EE targets: i) Women employed ii) Youth aged to 35 employed iii) Disabled employee	i) Women: 50% ii) Youth: 50% iii) Disabled: 1%	
Develop and implement priority skills development strategy	A skilled and capable workforce to support an inclusive growth path	3.1.2.3 To progressively invest in skills development	OPMS:03	% of a municipality's budget actually spent on implementing a workplace skills plan (NEPI)	100% of the budget spent on implementation of WSP	
Develop and implement priority skills development strategy	A skilled and capable workforce to support an inclusive growth path	3.1.2 To enhance skill base for council 3.1.2 To enhance the skill base	OPMS:03a	Nr. of Councillors trained in terms of the WSP Nr. of officials trained in terms of the WSP	59 councillors trained in terms of the WSP by 30 June 2017	

National Key Performance Area: Municipal Transformation and Institutional Development					
KZN Strategic Goals: Human Resource Development					
KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicator	Performance targets
Streamline administrative, property management and Council processes	An efficient, effective and development oriented state	of KDM staff	OPMS:03b	Nr of Councillors trained in terms of the WSP	59 councillors trained in terms of the WSP by 30 June 2017
		To expose school/tertiary vocational education and training (TVET) youth to workplace environment	OPMS:03c	Nr of grade 12 groups participating in POST MATRIC WORKPLACE READINESS	3 groups participating in post matric workplace readiness by 30 June 2017
		To restore human dignity through asset ownership	OPMS:04	Nr of EEDBS units transferred	140 EEDBS units transferred by 30 June 2017
		To ensure speedy and effective remedy to customer complaints	OPMS:05	Number of reports submitted to LPA on the cases processed from the Complaints Management Register	4 reports submitted to LPA on cases processed from the complaints management register by 30 June 2017
		To enhance institutional productivity through a renewed cadre of local public service	OPMS:06	Number of Batho Pele programmes rolled out	4 Batho Pele Programmes rolled out by June 2017
Enhance the institutional productivity through developing a renewed cadre of Local Public Service	An efficient, effective and development oriented state	To enhance institutional productivity through a renewed cadre of local public service	OPMS:07	Number of reports to Council on the implementation of Council resolutions	4 reports to Council on the implementation of Council resolutions by 30 June 2017
Streamline administration, property management and Council processes	An efficient, effective and development oriented state	To enhance management and leadership accountability	OPMS:07a	Number of ITSC meetings held	4 ITSC meetings held by 30 June 2017
To develop and roll-out the integrated ICT Governance Framework	An efficient, effective and development oriented state	To deepen management and leadership oversight on IT issues	OPMS:07a	Number of KDM staff empowerment programmes promoting labour relations rolled out	4 KDM HR empowerment programmes rolled out by 30 June 2017

National Key Performance Area: Municipal Transformation and Institutional Development

KZN Strategic Goals: Human Resource Development

KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicator	Performance targets
Streamline administrative, property management and Council processes	An efficient, effective and development oriented state	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:08	The number of IGR reports submitted to council/LPA	4 IGR reports submitted to council/LPA by 30 June 2017
Streamline administrative, property management and Council processes	An efficient, effective and development oriented state	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:08a	The number of IGR reports submitted to council/LPA	4 IGR reports submitted to council/LPA by 30 June 2017

National Key Performance Area: Municipal Transformation and Institutional Development

KZN Strategic Goals: Human Resource Development

KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicator	Performance targets
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:09	Review and approval of performance management framework by Council by the target date	PMS Framework reviewed and approved by Council by 30 September 2016
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:10	Submission of the top layer of the SDBIP to the Mayor within stipulated timeframe	Top Layer of the SDBIP submitted to the Mayor within 28 days after approval of 2016/17 Annual Budget
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:11	Nr of S56/57 performance agreements signed and submitted to the MEC by target date	8 Performance agreements signed and submitted to the MEC by 31 July 2016 and monitor implementation on quarterly basis.
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:12	Date approval of Performance Plans for 3 levels below Section 57 by Manco	Performance plans for 3 levels below S57 approved at Manco by 31 July 2016

National Key Performance Area: Municipal Transformation and Institutional Development

KZN Strategic Goals: Human Resource Development

KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicator	Performance targets
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:13	Date tabling of Annual Report to Council within 7 months after the end of financial year	15/16 Annual Report tabled to Council within 7 months by 31 January 2017
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:13a	2015/2016 Annual Report & Oversight report approved and adopted by Council by target date	15/16 Annual Report and Oversight Report approved and adopted by Council by 31 March 2017
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:13b	Adoption and publication of the oversight report 7 days after approval by Council	Oversight report adopted and made public 7 days after approval and adoption by Council by 31 March 2017
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:14	Date completion of S57 Annual Evaluation and submission of report to Council for approval	Annual Evaluation and Report for Section 57 Managers completed and submitted to council for approval by 30 June 2017
Improved quality of service delivery and strengthening democratic processes	A responsive, accountable, effective and efficient local government system	To enhance organisational development in line with community needs	OPMS:15	Number of quarterly reports aligned to the SDBIP & Organisational Scorecard reviewed by Council	4 quarterly reports aligned to the SDBIP & Organisational Scorecard reviewed by Council by 30 June 2017

National Key Performance Area: Good Governance and Public Participation

KZN Strategic Goals: Governance and Policy

KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Building a caring and sustainable local government that is responsive to the needs of	A responsive, accountable, effective and efficient local government system	To facilitate Integrated Development Planning processes	OPMS:16	Approval and adoption of the IDP/Budget & PMS process plan for 2017/2018	2017/2018 IDP/Budget & PMS process plan approved and adopted by Council by 31 August 2016

National Key Performance Area: Good Governance and Public Participation					
KZN Strategic Goals: Governance and Policy					
KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
the communities		To implement Integrated Development Planning	OPMS:16a	Approval and adoption of the 2016/2017 IDP in line with S129 MFMA & Chapters 5&6 MSA by Council by the target date	2016/2017 IDP in line with S129 MFMA & Chapters 5&6 MSA approved by Council by 31 May 2016
		To implement public participation programmes	OPMS:17	Nr of reports received from ward committees consolidated and submitted to Council	4 reports received from ward committees consolidated and submitted to Council, by 30 June 2017
		To implement public participation programmes	OPMS:17a	Number of Community engagement meetings held	20 community engagement meetings held by 30 June 2017
		To provide effective and efficient Legal Services for Council	OPMS:18	Number of contracts finalised	16 Contracts finalised and signed by all parties by 30 June 2017
		To ensure that all contracts are finalised within stipulated timeframes	OPMS:18a	Turnaround time to finalise received contracts	Contracts finalised within 14 days from date of receipt by 30 June 2017
		To provide effective and efficient Internal Audit services for Council	OPMS:19	Approval of the 2016/2017 Risk based Internal Audit Plan by Audit Committee and Council by target date	2016/2017 Risk based Internal Audit Plan (RIAP) approved by Audit Committee and Council by 30 September 2016
		To provide effective and efficient Internal Audit services for Council	OPMS:19a	Nr of dashboard reports submitted to Audit Committee, Exco, and Council	4 Dashboard reports with Management Comments submitted to Audit Committee, Exco and Council by 30 June 2017
		To provide effective and efficient Internal Audit services for Council	OPMS:19b	Nr of progress reports on AG action plans submitted to Audit Committee, EXCO and Council	4 progress reports on AG action plans submitted to Audcom/Exco/Council by 30 June 2017

National Key Performance Area: Good Governance and Public Participation

KZN Strategic Goals: Governance and Policy

KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
		To monitor compliance with legislation, as required by MPPMR 14(4) (a) (iii).	OPMS:20	Number of Audit and Performance Audit Reports submitted to Council as required by MPPMR 14(4) (a) (iii).	2 Audit & PAC reports submitted to Council by the Audit Committee by 30 June 2017
		To monitor compliance with legislation, as required by section 186(2) (a) (vii) of the MFMA.	OPMS:20a	Number of Audit and Performance Audit Committee Meetings held	4 Audit and Performance Audit Committee Meetings held
		To manage institutional risks	OPMS:21	Top 10 municipal risks reviewed and approved by the Risk Committee and Council	Top 10 municipal risks reviewed and approved by the Risk Committee and Council by 30 September 2016
		To mitigate institutional risks	OPMS:21a	Departmental Risk Profiles developed and approved by target date	Departmental Risk profiles developed and approved by the Risk Committee & Council by 30 September 2016
		To mitigate institutional risks	OPMS:21b	Nr of reports submitted on mitigation of top ten Municipal risks	4 mitigation reports on top 10 municipal risks submitted to Audit Committee and Council by 30 June 2017
Improved quality of service delivery and strengthening democratic process	A responsive, accountable, effective and efficient local government system	To promote inter-governmental relations	OPMS:22	Nr of war-room reports on Operation Sukuma Sakhe consolidated and submitted to Council (OSS)	4 Sukuma Sakhe war-room reports consolidated and submitted to Council by June 2017
Improved quality of service delivery and strengthening democratic process	A responsive, accountable, effective and efficient local government system	To facilitate special programmes for vulnerable groups	OPMS:23	Nr of KDM Special programmes for vulnerable groups facilitated	5 Vulnerable groups: Senior Citizens, Disabled, Gender, Women & Children, Rights of the Child facilitated by 30 June 2017
Improved quality of service delivery and strengthening democratic process	A responsive, accountable, effective and efficient local government system	To implement public participation programmes	OPMS:38	Number of Mayoral events conducted	3 Mayoral events conducted by 30 June 2017

National Key Performance Area: Local Economic Development and Social Development

KZN Strategic Goals: Job Creation

KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To create job opportunities through implementation of poverty alleviation programmes	OPMS:24	Nr of job opportunities created through implementation of EPWP programme	100 Job opportunities created through implementation of EPWP by 30 June 2017
Improved quality of service delivery and strengthening democratic process	A responsive, accountable, effective and efficient local government system	SO:1.1.1 To stimulate economic growth within KDM node	OPMS:25	% expenditure on strategic special projects facilitated by KDM	100 % expenditure on strategic special projects facilitated by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote sustainable job creation through infrastructure and poverty alleviation programmes	OPMS:26	Nr of jobs created through a municipality's local economic development initiatives. (NKPI)	..... Jobs created through LED intervention by 30 June 2017.
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote sustainable job creation through infrastructure and poverty alleviation programmes	OPMS:26a	Nr of jobs created through a municipality's capital projects. (NKPI)	..... jobs created through municipal capital projects: i) Human Settlement = ii) CMI = 200 jobs iii) Comm Serve = 70 jobs by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote economic growth by creating an enabling environment for SMME development	OPMS:27	Number of entrepreneurs participating in the SMME programme	..... entrepreneurs participating in the SMME programme by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote economic growth by creating an enabling environment for SMME development	OPMS:28	Number of co-operatives supported	..... of co-operatives supported by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote economic growth by creating an enabling environment for SMME development	OPMS:29	Number of business development sessions held	..... business development sessions held by 30 June 2017

National Key Performance Area: Local Economic Development and Social Development

KZN Strategic Goals: Job Creation

KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To create job opportunities through implementation of poverty alleviation programmes	OPMS:24	Nr of job opportunities created through implementation of EPWP programme	100 job opportunities created through implementation of EPWP by 30 June 2017
Improved quality of service delivery and strengthening democratic process	A responsive, accountable, effective and efficient local government system	SO:1.1.1 To stimulate economic growth within KDM node	OPMS:25	% expenditure on strategic special projects facilitated by KDM	100 % expenditure on strategic special projects facilitated by 30 June 2017
wealth and decent jobs		development			
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote sustainable job creation through Infrastructure and poverty alleviation programmes	OPMS:30	Number of informal traders supported	..... informal traders supported by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To promote sustainable job creation through Infrastructure and poverty alleviation programmes	OPMS:35	Number of community gardens supported	.... Community gardens supported by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To develop new and strengthen existing partnership aimed at enhancing the local economy and entrepreneurship	OPMS:31	Number of strategic partnerships entered into to support economic growth	..... strategic partnerships entered into to support economic growth by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To provide integrated youth development services and programmes which address social and economic challenges	OPMS:32	Number of youth development programmes facilitated	..... youth development programmes facilitated by 30 June 2017
Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	Decent employment through inclusive economic growth	To provide integrated youth development services and programmes which address social and economic challenges	OPMS:33	Number of sports programmes facilitated	..... sports programmes facilitated by 30 June 2017

National Key Performance Area: Cross Cutting Issues

Spatial Planning and Environmental Management

KZN Strategic Goals: Environmental assets and natural resources that are well protected and continually enhanced

KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Ensure better land use management and compliance with various town planning and building control legislations,	Environmental assets and natural resources that are well protected and continually enhanced	To establish policy and spatial planning frameworks that will facilitate greater integration	OPMS:77	Number of Development Nodal Plans approved	Development Nodal Plans approved by 30 June 2017
Ensure better land use management and compliance with various town planning and building control legislations,	Environmental assets and natural resources that are well protected and continually enhanced	To ensure that all building plan applications are processed within stipulated timeframes in line with National building Plan Regulations and Standards Act	OPMS:78	% of building plans received and processed within the legislated timeframes i.e. 30days plans <500m2 and 60 days plans >500m2	70% of building plans received and processed within the legislated timeframes i.e. 30days plans <500m2 and 60 days plans >500m2 by 30 June 2017
Ensure better land use management and compliance with various town planning and building control legislations,	Environmental assets and natural resources that are well protected and continually enhanced	To evaluate development applications within prescribed statutory timeframes in line with KZN PDASPLUMA	OPMS:78a	% of scheme amendment applications processed within stipulated timeframes	70% scheme amendment applications processed within stipulated timeframes by 30 June 2017
Ensure better land use management and compliance with various town planning and building control legislations,	Environmental assets and natural resources that are well protected and continually enhanced	To evaluate development applications within prescribed statutory timeframes in line with KZN PDASPLUMA	OPMS:78b	% of special consent applications processed within stipulated timeframes	70% of special consent applications processed within stipulated timeframes by 30 June 2017
Promote environmental sustainability and protection of climate,	Environmental assets and natural resources that are well protected and continually enhanced	To establish policy and spatial planning frameworks that will facilitate greater integration	OPMS:79	Number of environmental compliance notices issued	environmental compliance notices issued by 30 June 2017

Promote environmental sustainability and protection of climate.	Environmental assets and natural resources that are well protected and continually enhanced	To implement climate change response programmes,	OPMS:80	Number of climate change adaptation programmes implemented	Climate Change Adaptation programmes implemented by 30 June 2017
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National Key Performance Area: Financial Management and Viability					
KZN Strategic Goals: Governance and Policy Compliant Local government					
KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Overcoming debt and achieving recovery on services provided.	An efficient, competitive and responsive economic infrastructure	To account for revenue collection on Electricity, Rates and Refuse.	OPMS:66	% of Revenue collected from Electricity, Rates and Refuse	Electricity - 90% Rates - 90% Refuse - 90%
		To reduce outstanding debtors.	OPMS:67	% reduction of outstanding debtors	2% reduction in debt > 60 days compared to 30 June 2016.
		To ensure that the revenue of the municipality is collected and accounted for.	OPMS:68	Number of meetings convened	4 Energy Losses Task team meetings to be held by 30 June 2017
Expenditure Management	An efficient, competitive and responsive economic infrastructure	To ensure compliance with financial management and legislative requirements	OPMS:69	Nr of Budget implementation reports submitted to Council on budget spent	3 Budget implementation reports submitted to Council on budget spent by 30 June 2017.
Overcoming debt and achieving recovery on services provided.	An efficient, competitive and responsive economic infrastructure	To ensure compliance with financial management and legislative requirements	OPMS:70	Date of submission of the MFMA S72 report	Submission of MFMA S72 report to Council on 31 January 2017.
Expenditure Management	An efficient, competitive and responsive economic infrastructure	To ensure compliance with financial management and legislative requirements	OPMS:71	Date of Adjustment budget tabled.	Adjustment budget approved on 28th of February 2017.

National Key Performance Area: Financial Management and Viability					
KZN Strategic Goals: Governance and Policy Compliant Local government					
KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Budget Management	An efficient, competitive and responsive economic infrastructure	To enhance stakeholder confidence.	OPMS:71a	Outcome of audit report	Unqualified audit report received by 31 December 2016
Budget Management	An efficient, competitive and responsive economic infrastructure	To ensure compliance with financial management and legislative requirements	OPMS:72	Date submission of AFS to Auditor General	AFS submitted to Auditor General on 31 August 2016
Budget Management	An efficient, competitive and responsive economic infrastructure	To ensure financial viability of the municipality	OPMS:74	Ratio of Current Assets: Current Liabilities	1.5:1
Overcoming debt and achieving recovery on services provided.	An efficient, competitive and responsive economic infrastructure	To ensure financial viability of the municipality	OPMS:74a	Ratio of Outstanding service debtors to annual revenue actually received for services (i.e. electricity and refuse)	Outstanding service debtors to revenue not greater than 0.5:1
Overcoming debt and achieving recovery on services provided.	An efficient, competitive and responsive economic infrastructure	To ensure financial viability of the municipality	OPMS:74b	Debt coverage ratio: Total operating revenue received - operating grants/ debt service payments	Debt coverage ratio of not less than 15:01
Overcoming debt and achieving recovery on services provided.	An efficient, competitive and responsive economic infrastructure	To ensure financial viability of the municipality	OPMS:74c	Ratio: Total operating revenue divided by debt service payments (i.e. interest, plus redemption).	Ratio not to decline below 15:1
Budget Management	An efficient, competitive and responsive economic infrastructure	To ensure proper asset Management in line with prevailing accounting standards	OPMS:75	Date of reconciliation of Fixed Asset Register to GL	Reconciliation of 2015/2016 BAUD Fixed Asset Register to GL completed on 31 August 2016.
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	OPMS:76	Date of uploading of mSCOA budget	mSCOA budget uploaded on MUNSOFT on 30 June 2017

National Key Performance Area: Financial Management and Viability					
KZN Strategic Goals: Governance and Policy Compliant Local government					
KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	OPMS:63	Date of approval of 2016/2017 procurement plan	Approved 2016/2017 procurement plan by 30 September 2016
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	OPMS:63a	Number of reports submitted on the turnaround time to finalise formal tender awards	4 reports submitted by 30 June 2017 on the turnaround time to finalise formal tender awards
Overcoming debt and achieving recovery on services provided.	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	OPMS:63b	Date of award of corporate contracts for high volume commodities	Corporate contracts for high volume commodities awarded by 31 March 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To ensure that indigent households have access to free and subsidized services.	OPMS:64	% of registered HH whose accounts have been credited with FBS	To credit FBE of 75kw to at least 90% of all registered indigent households on the billing/prepaid system with the first purchase of electricity every month. To credit at least 90% of all registered indigent households on the billing system with FBR every month.
Financial Management	An efficient, competitive and responsive economic infrastructure	To ensure that the revenue of the municipality is collected and accounted for.	OPMS:65	Date of reconciliation of updated GVR to MUNSOFT	GVR and MUNSOFT reconciled by the 10th working day of the end of each quarter.
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	NEW PROJECT	Date of implementation of IDM policy.	IDM policy approved by Council on 30 June 2017.

National Key Performance Area: Financial Management and Viability						
KZN Strategic Goals: Governance and Policy Compliant Local government						
KDM Goals	National Outcome	Strategic Objective	OPMS No	Key Performance Indicators	Performance targets	
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	OPMS:62	% of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IKPI): To be submitted by MM	100% expenditure on capital budget by 30 June 2017	
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Operational Budget	OPMS:62a	% Operational expenditure on repairs and maintenance To be submitted by MM	100% operational expenditure on repairs and maintenance by 30 June 2017	
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Operational Budget	OPMS:62b	% reduction in overtime when compared to the previous financial year To be submitted by MM	50 % reduction in overtime when compared to the previous financial year per quarter	
Financial Management	An efficient, competitive and responsive economic infrastructure	To improve expenditure on Capital Budget	OPMS:62c	% expenditure on implementation of MIG infrastructure projects TO BE SUBMITTED BY CIVIL	100 % expenditure on implementation of MIG infrastructure projects by 30 June 2017	

National Key Performance Area: Basic Service Delivery						
KZN Strategic Goals: Strategic Infrastructure						
KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicators	Performance targets	
Provision of quality housing for all income groups in KwaDukuza	Sustainable human settlements and improved quality of household life	SO: 1.1.5 To facilitate provision of formal housing through construction of high quality houses.	OPMS:34	Nr of new houses constructed	350 New houses constructed by 30 June 2017	
Provision of quality housing for all income groups in KwaDukuza	Sustainable human settlements and improved quality of household life	To ensure fair, transparent and compliant housing beneficiary management system.	OPMS:34a	Nr of houses handed over to beneficiaries	420 Houses handed over to beneficiaries by 30 June 2017	
Provision of quality housing for all income groups in KwaDukuza	Sustainable human settlements and improved quality of household life	To enhance organisational development in line with community needs	OPMS:36	Approved Customer Satisfaction Survey Report	Completed CSS report submitted to council for approval by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To implement public participation programmes	OPMS:37	Number of radio slots done by the Mayor with Local Radio stations	48 radio slots done by the Mayor with Local Radio stations by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To enhance organisational development in line with community needs	OPMS:37a	Number of municipal publications produced	4 municipal publications produced by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.3 To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	OPMS:38	Number of LT Mains projects upgraded in North and South	2 LT Mains projects upgraded in North and South by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.3 To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	OPMS:39	Number of MV Network projects upgraded in North	8 MV Network projects upgraded in North by 30 June 2017	
2.1 Improved universal access to	Sustainable human	SO: 2.1.3 To provide an	OPMS:39a	Number of MV Network projects upgraded	4 of MV Network projects upgraded	

basic services	settlements and improved quality of household life	acceptable level of lighting to all major roads, public open spaces and sports fields					
Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.3 To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	OPMS:39b	Number of MV Network roll-over projects upgraded in North		8 MV Network roll-over projects upgraded in North by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.3 To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	OPMS:39c	Number of MV Network roll-over projects upgraded in South		6 MV Network roll-over projects upgraded in South by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.3 To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	OPMS:40	Nr of new street lights installed in 7 Clusters		537 new street lights installed in 7 Clusters by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.3 To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	OPMS:40a	Nr of street lighting roll-over projects completed		150 street lighting roll-over projects completed by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.5 To ensure that all citizens have an electricity service connection	OPMS:41	Nr of substation upgrade projects completed in the South		2 substation upgrade projects completed in the South by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.5 To ensure that all citizens have an electricity service connection	OPMS:41a	Nr of substation upgrade projects completed in the North		2 substation upgrade projects completed in the North by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.5 To ensure that all citizens have an electricity service	OPMS:42	Date completion of registration of servitude and finalisation of designs		Registration of servitude and finalisation of designs completed by 30 June 2017	

	household life	connection	OPMS:43	% of households with access to basic electricity (MKPI)	(22%) 250 m with access to basic electricity by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.5 To ensure that all citizens have an electricity service connection	OPMS:43a	Electrification of roll over house connections completed	Electrification of 400 roll over house connections completed by 31 December 2016
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.5 To ensure that all citizens have an electricity service connection	OPMS:44	Nr of electricity bulk supply projects completed in the North	3 electricity bulk supply projects completed in the North by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.5 To ensure that all citizens have an electricity service connection	OPMS:44a	Nr of electricity bulk supply roll-over projects completed in the North & South	1 electricity bulk supply roll-over project completed in the North & South by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To maintain municipal roads in accordance with approved maintenance plan	OPMS:45	m2 of potholes repairs on urban tarred roads	7000 m2 of potholes repairs on urban tarred roads completed by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To maintain municipal roads in accordance with approved maintenance plan	OPMS:46	Kilometres of gravel roads graded	300 Kilometres of gravel roads graded by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To maintain municipal roads in accordance with approved maintenance plan	OPMS:46a	Kilometres of rural roads regavelled	8 Kilometres of rural roads regavelled by 30 June 2017

National Key Performance Area: Basic Service Delivery						
KZN Strategic Goals: Strategic Infrastructure						
KDM Goals	National Outcome	Strategic Objective	OPMS NO	Key Performance Indicators	Performance targets	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To maintain municipal roads in accordance with approved maintenance plan	OPMS:46b	Kilometres of new gravel access roads constructed	4 Kilometres of new gravel access roads constructed by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.7 To rehabilitate the existing storm water infrastructure projects	OPMS:47	Nr of storm water infrastructure projects upgraded	5 storm water infrastructure projects upgraded by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.6 To construct MIG roads and storm water infrastructure projects	OPMS:48	Nr of new MIG Roads and storm water infrastructure projects constructed	5 new MIG Roads and storm water infrastructure projects constructed by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 2.1.6 To construct and complete the multi-year roads and storm water infrastructure projects	OPMS:48a	Nr of MIG multi-year projects completed	7 MIG Roads multi-year projects to be completed by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:49	Nr of speed humps constructed	48 Speed humps constructed by 30 June 2016	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:49a	Kilometres of sidewalks constructed and upgraded	4 kilometres of sidewalks constructed and upgraded by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:50	Nr of MIG community facilities projects constructed and upgraded	5 MIG community facilities projects constructed and upgraded by 30 June 2017	
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide access to solid waste removal	OPMS:51	Number of hh earning less than R3500 with access to free basic solid waste removal (NKP)	11 000 hh with access to free basic waste removal in each quarter by 30 June 2017	
2.1 Improved universal access to	Sustainable human household life	To provide access to solid	OPMS:51a	Number of households with access to	29 000 hh with access to basic solid	

basic services	settlements and improved quality of household life	waste removal		basic solid waste removal (NkP)	waste removal in each quarter by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:52	Acquisition of land for the establishment of cemetery by target date	Land acquired for establishment of cemetery by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:53	Establishment of Child Care facilities by target date	Child Care facilities established by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:54	Establishment of Combo Court by target date	Combo court established by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:55	Upgrade of play equipment in Gifford Crescent (Ward 22) by target date	Play equipment in Gifford Crescent (Ward 22) upgraded by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:56	Upgrade of Blythedale beach facilities by target date	Blythedale beach facilities upgraded by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To provide the community with amenities	OPMS:56a	Construction of Tinley Manor tidal pool completed by target date	Construction of Tinley Manor tidal pool completed by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:57	Number of traffic fines issued for traffic offences	18 000 traffic fines issued for traffic offences by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	To indicate the Rand Value of revenue collected from outstanding fines and other traffic offences	OPMS:57a	Rand value revenue collected from outstanding fines and other traffic offences	R3 000 000.00 revenue collected from outstanding fines and other traffic offences by 30 June 2017

2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:58	Response time to disaster cases reported	Disaster cases responded to within 24hrs/48hrs by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:58a	Number of Disaster Awareness campaigns conducted	8 Disaster Awareness campaigns conducted by 30 June 2016.
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:59	Number of schools visited for: i) Road safety ii) Fire safety iii) Water safety campaigns	36 schools visited for i) Road safety ii) Fire safety iii) Water safety campaigns by 30 June 2017
2.1 Improved universal access to basic services	Sustainable human settlements and improved quality of household life	SO: 1.1.2 To contribute to a safe and secure environment.	OPMS:60	Number of Social Crime Prevention programmes conducted in wards	12 Social Crime Prevention programmes conducted in wards by 30 June 2017

SECTION E: STRATEGIC MAPPING AND IMPLEMENTATION

PLAN

1. STRATEGIC MAPPING

The KwaDukuza's strategic mapping is a planning process which is derived within a broader package of spatial development framework plans. It is influenced by and takes direction from an Integrated Development Plan. It in turn provides direction to the formulation of local area plans and possible precinct plans. The role of the Spatial Development Framework and the related Land Use Management Framework is to:

- To provide strategic guidance for the future, physical/spatial development of KwaDukuza Municipal area.
- To ensure that the envisaged physical/spatial development reflects the social, economic, environmental development issues identified in the IDP, i.e. while the SDF and LUMS provides primarily guidance for the existing and future physical / spatial development of the municipality, such development can only be considered appropriate if it adequately addresses the social, economic, environmental, institutional issues identified in the IDP.
- To identify access routes as investment lines, i.e. utilizing levels of accessibility as guidance for the location of development components.
- To recognize natural resources as primary assets, i.e. positively integrating natural elements in the creation of a human and sustainable development.

2. ASSOCIATED OBJECTIVES STRUCTURED INTO 6 KZN KPAS

Refer to Section A6 which elaborates further on KwaDukuza's five year strategic plan aligned to National Key Performance Areas and Provincial Growth and Development Strategy.

3. THE KZN PGDS AND IDENTIFIED KEY CHALLENGES

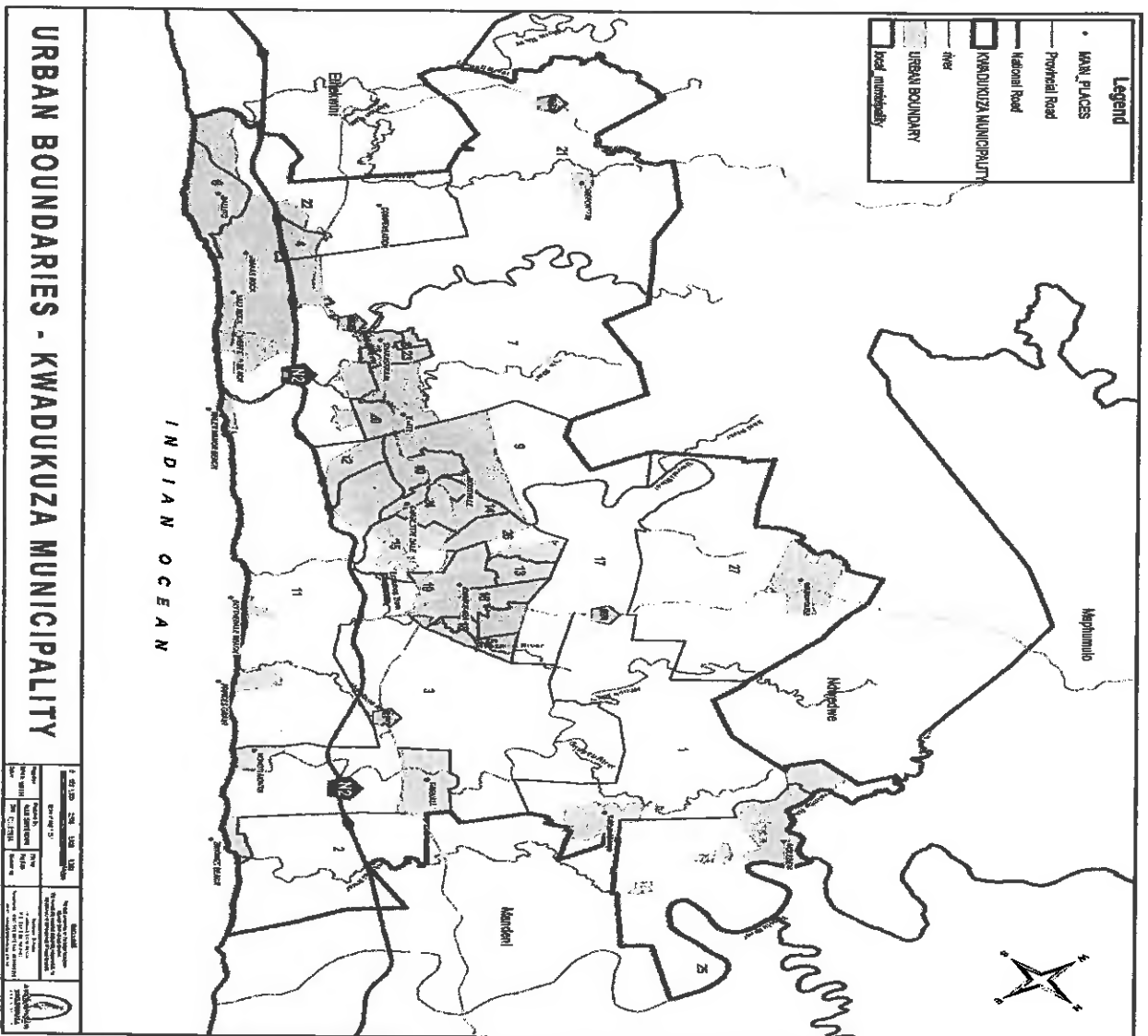
The KZN PGDS sets the 2030 Vision for the Province as well as the Strategic Goals and Objectives that will drive this Strategy, the PGDS sets out to:

- Having sustainable provision of services to communities.
- Address economic equity issues.
- Having democratic and accountable governance.
- Having small enterprise promotion.

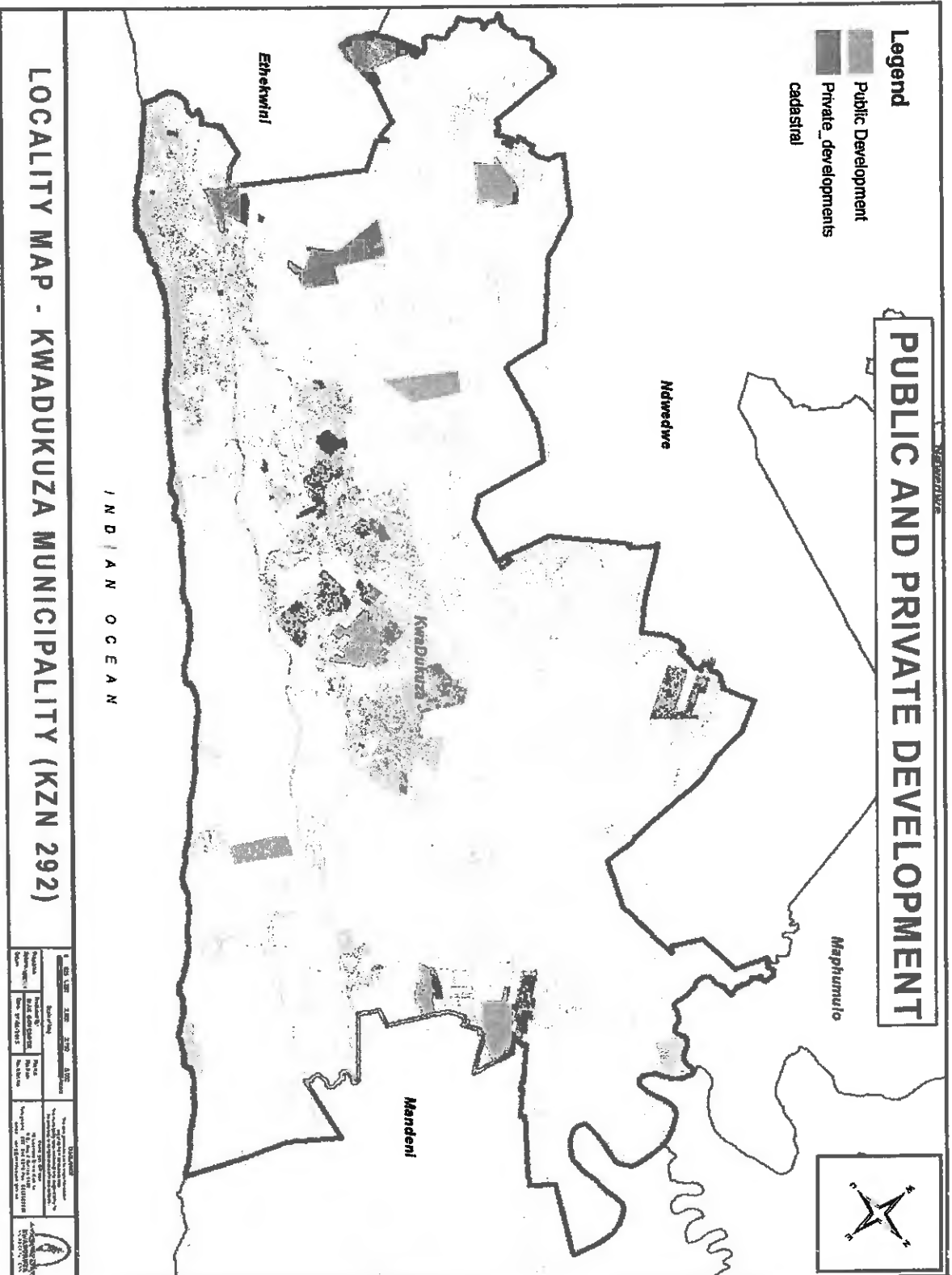
- Maximise on the opportunities that are offered by different municipalities' locations and proximity to strategic economic infrastructure.

4. MAPPING SPATIAL INTERVENTIONS





The maps below indicate the areas of intervention within KwaDukuza as indicated in KZN PDGS.



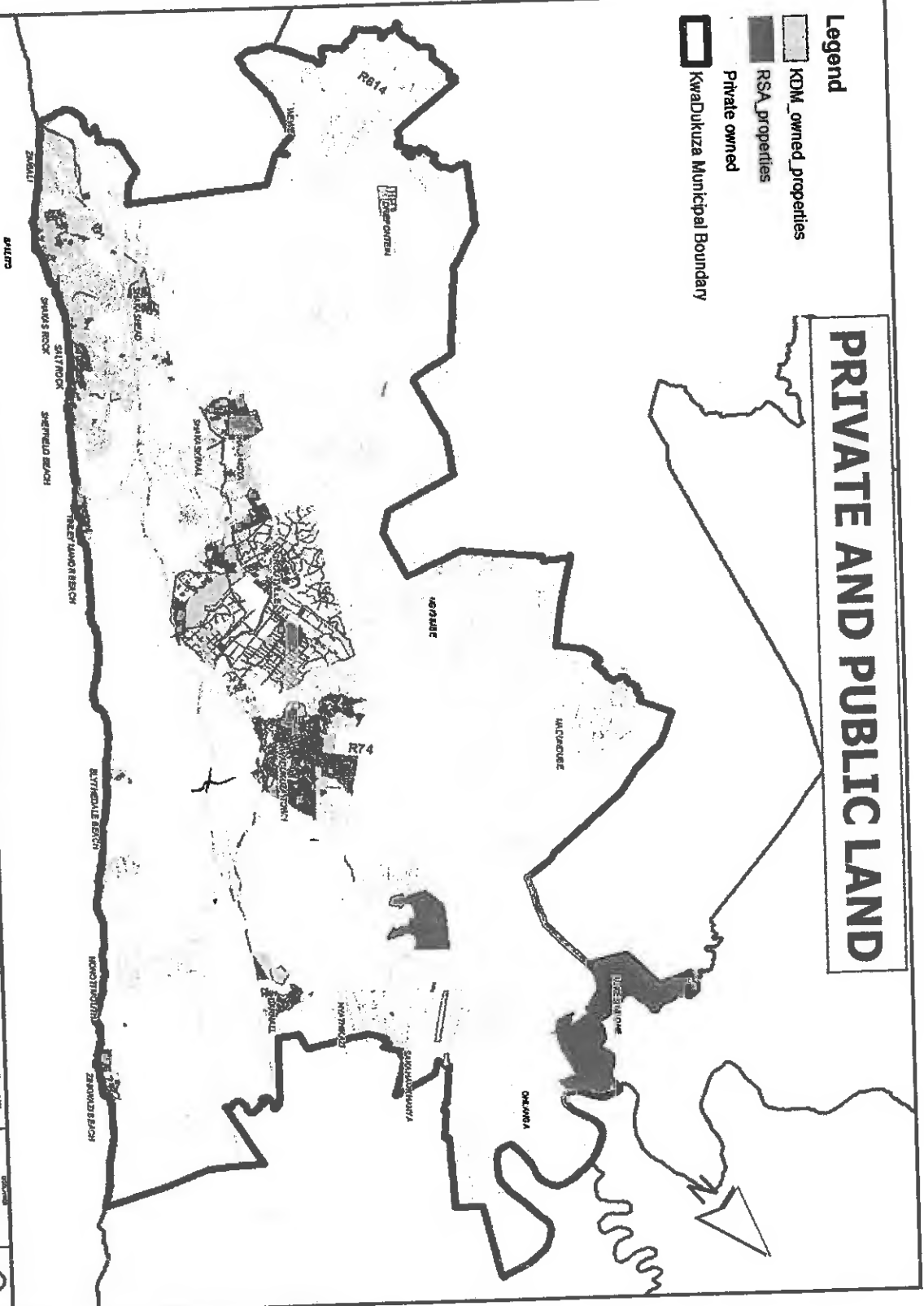
MAP 19 - PUBLIC AND PRIVATE DEVELOPMENT



Legend

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 RSA_properties
 Private owned
 KwaDukuza Municipal Boundary

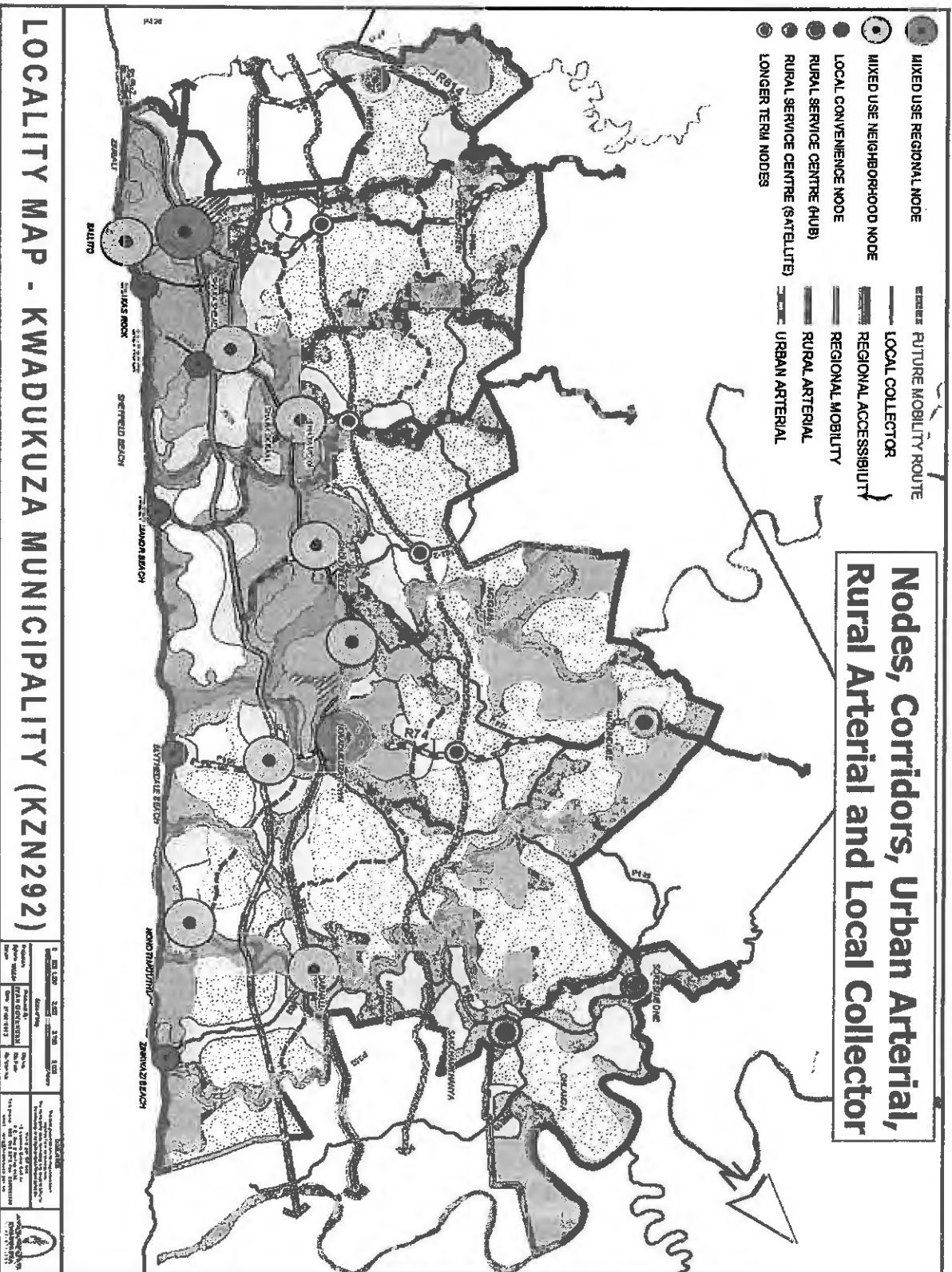
PRIVATE AND PUBLIC LAND



LOCALITY MAP - KWADUKUZA MUNICIPALITY (KZN292)

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5. LINKED TO KZN PGDS AND IDP'S GOALS AND OBJECTIVES

Refer to Section D2 wherein these are further cascaded down to the municipality's goals, development strategies and strategic objectives as well as linking to National Outcomes. Below is a table showing PDGS goals linked to the District's priorities:

Provincial Growth and Development Strategy (strategic goals)	Job creation	Strategic Infrastructure	Human and Community Development	Human Resource Development	Environmental Sustainability	Governance and Policy	Spatial Equity
Lembe District Family Priorities	Create job opportunities	Improve access to basic services.		Formulation and implementation of the human resource development strategy framework. Develop and implement priority skills strategy. Enhance institutional productivity through developing renewed cadre of local public service.		Reinforce stakeholder communication and participation forums Develop and roll out integrated ICT governance framework	

Table 28: PDGS goals linked to the District's priorities

6. SPATIAL DEVELOPMENT FRAMEWORK

An SDF is a planning process, within a broader suite or package of plans that is influenced by and takes direction from an Integrated Development Plan (IDP) of an area, and should in turn provide direction to the formulation of Local Area Plans (LAP's) and possible Precinct Plans, and effectively inform the Land Use Management Framework. Further to this, the municipality has an adopted hierarchy of strategic plans which will assist in the decision making process in relation to strategic planning.

Below are corrective actions to be undertaken by the municipality in response to the assessment of their 2015/2016 IDP.

LEGISLATIVE COMPLIANCE	COMMENT FROM COGTA	MUNICIPALITIES REPLY
Section 26(e) of the MSA (Act No. 32 of 2000)	Complied	Noted
Sections 12(1) and Section 20 of SPLUMA (Act No. 16 of 2013)	Complied	Noted
Government Planning and performance of the Local Government Planning and performance Management Regulations 2001 (Reg 796 of 2001)	The SDF is required to be in compliance with Section 2 (4) of the Local Government Management Regulations 2001 (Reg 796 of 2001)	All aspects related to legislative compliance will be taken into consideration and adhered to during the Review of the SDF.
Section 21 of SPLUMA (Act No. 16 of 2013)	The SDF is required to be in compliance with Section 21 of SPLUMA (Act No. 16 of 2013)	All aspects related to legislative compliance will be taken into consideration and adhered to during the Review of the SDF. The current SDF was adopted prior to the implementation of SPLUMA. All aspects within SPLUMA related to Municipal Spatial Development Frameworks will be adhered to in the review of the next SDF.
Municipal Systems Act	SDF has not been reviewed and therefore outdated as such there are a few legal compliance issues that were noted in the 2013 / 2014 MEC letter that need to be addressed as a matter of urgency	Part of the reason for this was to put in place the LUMS which was advertised for public comment in 2015 in terms of the KZN Planning and Development Act. The decision to adopt the wall to wall scheme was then rescinded so as to have the LUMS adopted in terms of SPLUMA which would then feed into the package of plans. The current LUMS has land uses that are deemed as future land uses in anticipation of the growth of KwaDukuza. It was then the municipalities view to adopt its package of plans structure which is more comprehensive and to have a concise set of council endorsed framework and strategic plans.

<p>To add to this the municipalities view was to have the current process of Local Area Plans formulated which is currently in the design phase of the KwaDukuza Municipality City Development Strategy which would in turn inform the KwaDukuza SDF. This would also then feed into the aspect of the SDF being SPLUMA compliant so as to have a more detailed land use framework that would inform the SDF through the adoption of the councils Local Area Plans.</p>		<p>Section 2(4) Local Government Planning and performance especially mapping thereof, and other relevant legislation. The municipality has been in communication with the relevant sector departments such as Eskom, Transnet, KZN DOT and live projects so as to map the relevant infrastructure. This will be included in the next review of the SDF.</p>	
<p>The anticipated SDF review will come about the review of the entire SDF to be aligned to SPLUMA</p>	<p>There is little evidence of a Capital investment Framework</p>	<p>Government Regulations 2001 (Reg 796 of 2001)</p>	
<p>The anticipated SDF review will include key principles of national plans, policies and legislation as well as indicate Spatial alignment to all applicable plans, policies and legislation.</p>	<p>Although the SDF outlines the principles of the of National plans, policies and legislation such as the NDP, PGDS and the National Infrastructure Plan of 2012, the Comprehensive Rural Programme and the New Growth Path are not applied within the SDF.</p>	<p>Section 21 of Spatial Planning and Land Use Management Act (Act No. 16 of 2013)</p>	
<p>The anticipated SDF review will take into account all environmental management aspects and source relevant information from KZN Ezemvelo Wildlife as a guide This will also include a critical analysis of</p>	<p>Strategic mapping of critical biodiversity and conservation areas, high agricultural potential areas; disaster risk</p>	<p>Section 21 (l) of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013)</p>	

Strategic Integrated Projects	Spatial Planning and Land Use Management Act (Act	Use Management Act (Act
Consideration of applicable (SIPs) of 2013 into next SDF Review	With the implementation of SPLUMA on the 1st July 2015	The Municipality has not adopted the necessary environmental sector tools or conducted the biodiversity analysis a determination of sensitive environment areas as well as the sustainability assessment of the SDF.
All Strategic Integrated Projects will be taken into consideration and spatially represented in the next review of the SDF. The process that is currently	The Municipality has the following Environmental Plans in place: <ul style="list-style-type: none"> • Biodiversity Open Space Management Plan • Climate Change Response Strategy • Low Emission Development Strategic Framework and Action Plan. The Municipality is also in the process of preparing the following: <ul style="list-style-type: none"> • Coastal Management Plan (linked to LUMS) The sustainability assessment of the SDF will be incorporated in the next review of the SDF and will be guided by the National Strategy for Sustainable development. This will also be part and parcel of the package of plans which will be an informative layer via the KDM Land Use Management System.	Coastal Management. With regards to Agricultural settlement and land reform areas, current and future areas in relation to existing and planned bulk infrastructure Department of Agriculture, this will include Agro-agricultural potential categories available from the latest Potential, the SDF review will source the latest Land reform areas will be identified and the status determined and clearly presented spatially which will include existing settlement patterns and availability of bulk infrastructure in existing settlements.
The wall-to-wall scheme of the Municipality was adopted in July 2015, however it the decision to		

SUMMARY OF STATUS QUO ASSESSMENT

The SDF provides an overview of the Status Quo/ Situational Analysis, detailing a range of issues pertaining to the current and likely future development context of the geographic nature of KwaDukuza Municipality. The following is offered:

Context

At a regional level, the need to find a balance between economic growth and development in well located coastal and corridor catchments, and concentrations of poverty and need, remains a key challenge, and one that is closely tied to the spatial future of KwaDukuza.

Establishing greater north south and east west access across the region will be central to unlocking much of the future development potential of the region. This lattice needs to be supported by an efficient public transport system as an essential ingredient towards improved urban performance. A substantial opportunity for public transport exists in the primary corridors, where the existing rail system closely parallels the main higher order road systems, especially in the KwaDukuza area.

No. 16 of 2013)	<p>you are further required to note Section 24(1) which states that "a municipality must, after public consultation, adopt and approve a single land use scheme for its entire area within five years from the commencement of the Act". The development of a Land Use Scheme must be prioritised and all institutional arrangements for the implementation of SPLUMA are in place. The Outgoing Council must adopt the reviewed 2016/2017 SDF.</p>	<p>adopt was rescinded because of compliance issues that were imminent in relation to SPLUMA. The draft scheme has been finalised and will be advertised in the month of April 2016 and the public participation process will also be conducted during the month of April 2016 where the legislation to be used is SPLUMA.</p> <p>The Municipality is still in compliance with the specified timeframes and should have an adopted wall-to-wall scheme before the period of 5 years.</p>
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There are numerous high value environmental resources within the study area that must be protected as the area grows and develops over time. These include the rivers and appropriate buffer areas, the related estuaries and wetland systems, as well as endangered forests and other areas with high biodiversity value.

Whilst the KwaDukuza area has a range of valuable resources, these resources tend to be spatially fragmented, limiting their potential role in the broader environment, and also making them more difficult to manage.

This fragmentation also leads to some of the smaller resources becoming more susceptible to urban development, or to the influence of urban development, such as impacts on watercourses, invasion of alien vegetation, etc.

Addressing fragmentation is a structural problem, requiring a structural response. Environmental systems must thus be seen as a structuring prerogative in any spatial future for KwaDukuza.

Settlement Structure

KwaDukuza Town is the dominant urban node not only in the KwaDukuza Municipality, but also in the broader sub-region, and is likely to remain as such given the proposed development projects around this focus area. Social and community infrastructure is generally lacking in most areas, and the level of access to these facilities tends to decrease towards the west of the study area. The central portions, around KwaDukuza Town/ Grootville/ Shakaskraal tend to be better service, and more accessible.

Proposed development rights suggest some scope for consolidation of existing settlement areas. Existing retail/commercial/office development rights account for some 1 737 515 m², and there is currently approximately 2 606 272 m² of land that is zoned for industrial and logistics purposes.

Based on the dwelling count undertaken for the current exercise, it is apparent that there exists a significant amount of potential capacity for intensification in most residential zonings. The areas zoned for low density residential reflect a gross density of 8.66 dph, medium density of 10.92 dph, and high density 19.07 dph.

Movement & Connectivity

The north-south road elements, specifically the N2 and R102, define and facilitate a broader development corridor that runs as an axis through the centre of KwaDukuza. The accessibility and connectivity that these elements

provide, together with the rail-based public transport system, suggests that the fundamentals of a powerful regional development corridor are already in place.

The rail network provides a critically important, albeit vastly underutilized, resource in KwaDukuza. The network provides local, regional, national, and even international connectivity to the study area, and the location of the system in conjunction with the N2 and R102 systems has an extremely high strategic value.

Local levels of accessibility tend to favor those areas where the different corridor elements interact spatially, such as the areas around Ballito/ Compensation. Due to the nature of the topography in the western parts of the study area, and the limited infrastructure that exists, accessibility levels tend to be significantly lower.

Demographic Characteristics

The dwelling count undertaken identified a total of 47 524 dwellings throughout the KwaDukuza area, suggesting a current total population in KwaDukuza of 228 115 people.

It is not entirely clear at this stage what the relationship is between natural population growth (and migratory trends) and the additional population that would be housed through public housing projects. The anticipated population that could be supported by the current housing program (of 17 000 units) is in the region of 81 000, a figure that is almost double the natural population growth anticipated by the year 2035.

The future growth of the KwaDukuza Population cannot be seen in isolation to that of the surrounding district – not all areas share the same levels of in or out migration, and KwaDukuza specifically is subject to higher levels of growth through migration than areas such as Ndwedwe and Maphumulo.

The Spatial Economy

The agricultural sector remains the dominant contributor to the local economy, although at the same time it is coming under increasing pressure from urban development. The fundamentals driving this sector, however, remain strong in the KwaDukuza area, and represent a significant resource for the broader region.

Whilst the manufacturing sector plays a secondary role to agriculture in terms of economic contribution, it is likely to become a key area of growth in the area in the future, a trend that is already evident in terms of development proposals emerging in the southern portions of KwaDukuza. Locational characteristics and site conditions suggest significant opportunities for growth along parts of the north-south corridor. The Tourism sector is a significant and

growing sector in the local economy. Central to the longer term growth of this sector will be the need to ensure the protection of the resource base driving this sector, specifically the coastline, estuary areas, forested areas, and heritage assets.

The N2 corridor area represents a key structural element in the broader economy, and the location of KwaDukuza on this axis, between two major economic focus areas (Durban and Richards Bay), provides a powerful structural foundation for economic development in KwaDukuza.

SPATIAL CONCEPT

In the context of the preceding assessment, the following core objectives are considered central to enabling growth and change in KwaDukuza to address many of the challenges facing the area:

- Protect the natural & cultural processes that are integral to the future growth of the region;
- Protect the inherent productive potential of land;
- Provide sustainable ecosystem resources to residents;
- Provide a robust movement network that balances local accessibility and regional mobility functions;
- Enhance equity and access within the movement system;
- Promote passenger rail transit as the basis of a public transport system that will support future growth and change in the region;
- Accept that movement, and public transport in particular, will be the key influence on future urban form within the region, and plan accordingly;
- Limit sprawl and the outward growth of urban areas;
- Reducing the need for commuting by promoting a greater degree of integration between residential areas and employment and other urban opportunities;
- Increase thresholds of support in sparsely populated areas (around local/service nodes?);
- Ensure that Public Spatial Investment directly address areas of Need (Economic, Service & Social);
- Improve sustainability of urban facilities in existing settlements and new growth areas;
- Eliciting private investment through targeted interventions in high potential growth areas;
- Promote responsible densification, intensification and infill development;
- Assist in protecting and conserving key natural, agricultural and heritage resources in the short to medium term;
- Contribute to supporting the development of a viable public transport system and improving current levels of accessibility to urban resources and amenities; and
- Provide a degree of certainty to developers and landowners on desired growth patterns.

Approach to Intervention

The approach adopted to address these challenges is based on four fundamental precepts:

Securing the Natural Resource Base;

Developing a Spatial Lattice, predicated on Public Transport, for guiding growth and development; Structuring capital investment through a defined structure of investment nodes; and Managing Growth and Development on a sustained basis.

Spatial Concept on Land Use

The spatial concept of the SDF offers guidelines and recommendations with regards to the following:

- Residential development;
- Tourism development; and
- Industrial development.

Elaborating the Concept

Two concepts are proposed being the Coastal Cluster Concept which assumes an area bounded by an Urban Growth Boundary between the Freeway and the sea, and the river systems; and that it comprises a series of neighbourhoods.

A second concept has been developed for the inland Corridor along the R102. The Nodal Corridor concept is a "classic" Nodal Corridor. The concept exhibits how the communities (Groups of neighbourhoods) are located along and on either side of the High Friction road.

IMPLEMENTATION FRAMEWORK

The SDF is part of the KwaDukuza IDP, and its implementation is crucial to the development of the municipal area and its communities. Through the IDP, the SDF will influence budgeting and resource allocation and specific interventions will be measured through the performance management system. Practical implementations of the SDF will be achieved through further detailed planning of special development areas.

The KwaDukuza Spatial Development Framework contributes in a meaningful manner towards the spatial restructuring and development within the municipality, and it is therefore vital to address key implementation

aspects related to the SDF and spatial planning in general. It is envisaged that the implementation of an SDF will have to address at least the following three aspects:

Alignment of Efforts

The alignment of spatial intentions and strategies with surrounding municipalities, especially those that comprise the Ilembe District, to ensure regional combined effort and co-operation as well as internal alignment of the intentions of the SDF within all the internal departments within the municipality.

Resource Targeting

The assessment of current capital investment target areas to assess the level of compliance to the findings and intentions of the SDF as well as to identify any gaps or needs for additional expenditure in order to achieve the desired spatial structure.

Further Planning

The strategic nature of the SDF always identifies key intervention areas which might require more detailed investigation and/or planning and this should be addressed as a vital part of direct implementation of the SDF. This will also include some guidelines for the municipality's land use management system. The outcomes of each of these areas of implementation planning then results in an overall systematic implementation strategy with a number of proposed interventions with the short, medium and long term and intends to directly influence the formulation of the KwaDukuza Integrated Development Plan.

CONSULTATION

A consultation process was undertaken for the review of the SDF and is included as an annexure.

7. Aerotropolis

The development of an Aerotropolis is one of the catalytic projects that have been identified by the Provincial Growth and Development Strategy (PGDS) which was approved by Cabinet at the February 2012 Cabinet Lekgotla. Subsequent to the adoption of the PGDS by the Cabinet, the Economic Sector and Infrastructure Development (ESID) cluster was tasked with the responsibility of developing a provincial Integrated Aerotropolis Strategy (KZNIAS). The ESID cluster comprises four departments, namely, Department of Transport (DOT), Provincial Treasury (PT), Cooperative Governance and Traditional Affairs (COGTA) and the Department of Economic Development and Tourism (EDTEA) to drive the process. The Aerotropolis augurs well with the province's vision of strengthening its gateway into South Africa and the entire African continent at large and of

becoming the trade and commerce hub of the country. The KZNIA is envisaged to play a critical role in advising the provincial government on the feasibility of the concept as a local economic development strategy in the province. The strategy was adopted by the KwaZulu-Natal Executive Council in October 2014. One of key recommendations of the KZNIA was the preparation of a Master Plan. At present, the Master plan is being formulated which will take cognizance of the Aerropolis Region but also the imperatives of the master plan should keep in mind the imperatives of the municipalities core functions. It should also be noted that the Adopted KwaDukuza Southern Local Area Plan is considered to be a natural extension of the Aerropolis region which for the KwaDukuza Municipality should be taken cognizance of when the Aerropolis Master Plan is formulated. The KDM SDF also considers the Aerropolis in its plans.

7.1. Aerropolis Master Plan

The Study Area for the Aerropolis Master Plan is divided into three separate sections, with a separate scope of works applicable to each.

The Study Area is divided into three separate sections, with a separate scope of works

applicable to each.

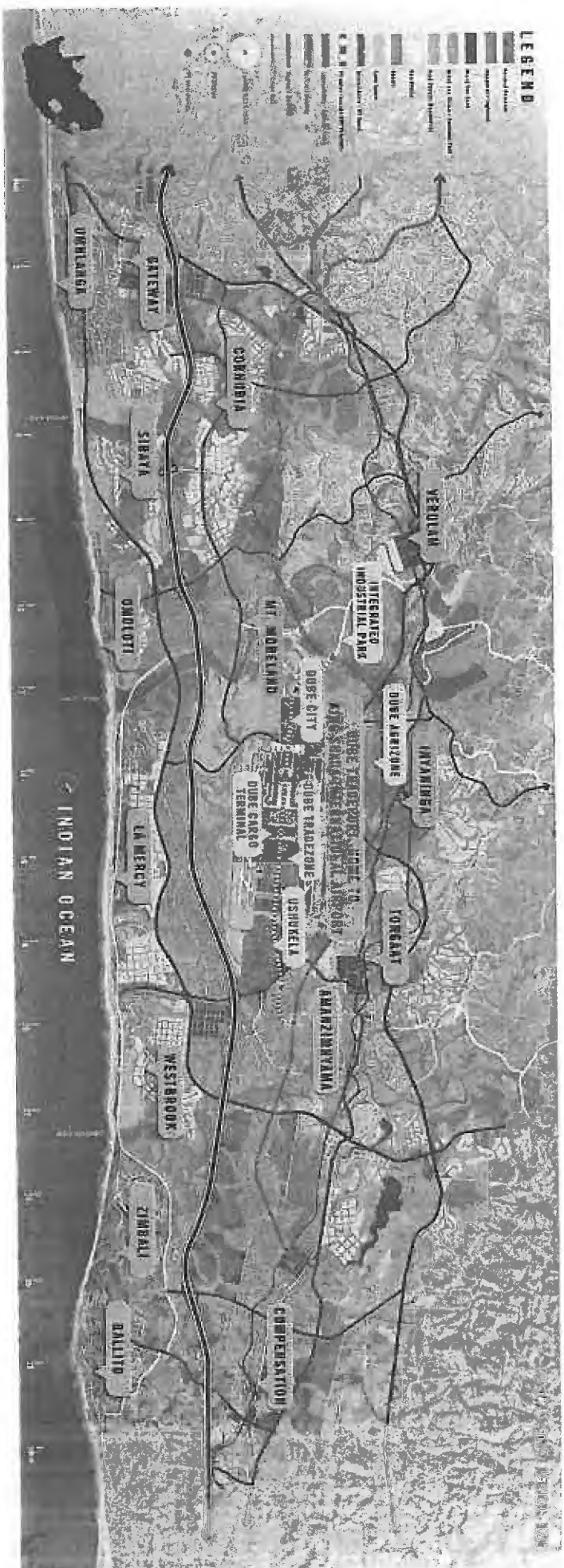
- Study Area 1: Greater Aerropolis Region - "Time" is the currency of the Aerropolis. Consequently, Study Area 1 is defined not by a fixed physical boundary, but by a more fluid 1-hour travel time radius measured from King Shaka International Airport, that will expand over time as transport links improve and travel times improve. Study Area 1, as currently defined, is concentrated primarily within the boundaries of eThekweni Municipality, KwaDukuza, Ndwendwe and Ilembe District Municipality, expanding also into parts of uMgungundlovu, uThungulu and uGu Municipalities. This area includes Study Areas 2 and 3.
- Study Area 2: Satellite Aerropolis Development Zones & Core Aerropolis Expansion Zone - Study Area 2 will comprise a series of development zones located within Study Area 1 but beyond the boundaries of Study Area 3, to be identified during Phase 3 (Master Plan) of the DURAMP. Study Area 2 includes the Core Aerropolis Expansion Zone
- Study Area 3: Airport City/ Core Aerropolis - Situated within the Study Area 1 is the Airport City (Core Aerropolis). The Airport City is the area spanning from uMhlanga Ridge to Umhali in the North, and from Phoenix and Tongaat to the West of the N2 motorway.

Please see the below maps which need to be included in the Aerropolis section of the IDP.

The map below represents the regional area of the Aerropolis which is determined within a 1 hour travel time



Map 22: The map below represents the core airport city



8. ENVIRONMENTAL MANAGEMENT (CROSS CUTTING ISSUE)

KwaDukuza Municipality is guided in its activities and environmental objectives, programmes and action plans by its overall Municipal vision for the Year 2030 that, "*KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner.*" The Municipality strives to be an environmentally sustainable municipality that anticipates, manages, and reduces its vulnerability to potential global and local environmental shocks and works consistently with the Department of Environmental Affairs at national and provincial level and with other organs of state to drastically reduce the impact of its built environment and urban processes on natural resources; with the main objective being to achieve sustainable development.

Environmental Management in KDM is underpinned by strategic national and international policy. The sustainability development goals adopted by the United Nation, as a replacement of the Millennium Development Goals, are pertinent and aligned with all the interventions that the stakeholders and council of KwaDukuza Municipality have been adopted. The aim of the National Delivery Agreement: Outcome 10 is to enhance environmental assets and natural resources by ensuring continued protection and conservation. KwaDukuza Municipality ensures the adherence to the principles of the National Environmental Management Act (107 of 1998), this involves the proper application of the KwaDukuza Environmental policy and strategic environmental assessment and coastal management act and coastal management plan.

In its stride towards developing KwaDukuza Municipality into a city, the municipality develops environmental policies that assist in addressing issues of sustainable social, economic and environmental development. The intention of strategic planning documents is to strengthen sustainability in the Integrated Development Planning of the municipality. It has further developed a draft document called the —KwaDukuza Environmental Management Policy, which a soft law that seals and further emphasizes the municipalities commitment in conserving its natural resources and form the basis for sectorial policies, strategies and programmes to ensure that the National Environmental Management Act principles are realized. The environmental management policy vision links up with the overall municipal vision and reads as follows: "*This Municipality strives to be an environmentally sustainable municipality that anticipates, manages, and reduces its vulnerability to potential global and local environmental shocks and works consistently with the department of environmental affairs to drastically reduce the impact of its built environment and urban processes on the broader envelope of natural resources.*"

The list below provides details on the KwaDukuza Municipality Integrated Environmental Management (Environmental sector plans) in the municipality:

ENVIRONMENTAL STRATEGIES AND PROJECT MATRIX WITHIN KWADUKUZA MUNICIPALITY

1013

Focus Area	Strategies	Projects	Budget (R)/ Funding	Yearly programme and is on going	Coastal Management	Climate Change	Climate Change	Climate Change	Information Gaps & State of Environment Reporting
Environmental awareness	Provide capacity building programs to all relevant officials, councillors, schools and community	Eco-schools/ Schools Environmental Programme	Funded by DEDTEA-R20000	the Economic Development Planning budget	Funded by Zinkwazi Blythdale Conservancy; not specified	Urban Low Emission Development Strategy	Greening of low Income Homes – 2	Fruit trees per household inclusive of Compost, & support materials for trees	Ensure access to timely and reliable information on the environment; improve the Municipality's ability to deal with environmental challenges; GIS database
Coastal Management	Coastal conservation and protection	Nonoti Estuarine Management Plan	Funded by Zinkwazi Blythdale Conservancy; not specified	2015-2016	Funded by ICLEI AFRICA	Responding to Climate Change	Responding to Climate Change		Information Gaps & State of Environment Reporting
Climate Change	Responding to Climate Change	Urban Low Emission Development Strategy	Funded by ICLEI AFRICA	2012-2015	Yearly programme and is on going	Climate Change	Responding to Climate Change		Information Gaps & State of Environment Reporting
Climate Change	Responding to Climate Change	Greening of low Income Homes – 2	Fruit trees per household inclusive of Compost, & support materials for trees	Yearly programme and is on going	On going	Climate Change	Responding to Climate Change		Information Gaps & State of Environment Reporting
Information Gaps & State of Environment Reporting	Ensure access to timely and reliable information on the environment; improve the Municipality's ability to deal with environmental challenges; GIS database	KwaDukuza Environ-n/a		On going					

Climate Change	Responding to	Hot-box Roll-out	Project	Africa	2015-2016
Climate Change	Responding to	Municipal Recycling	Project	Funded by ICLEI	2015-2016

FIGURE 7 - ENVIRONMENTAL STRATEGIES AND PROJECT MATRIX

KWADUKUZA MUNICIPALITY ENVIRONMENTAL INTERGOVERNMENTAL RELATIONS

Kwadukuza Municipality environmental management section involves itself with environmental engagements within the municipality as well as that of the Ilembe District Municipality where relevant:

Structure Name	Meetings	Stakeholders	Main Objectives
Kwadukuza Environmental Working Group/ Lower uMvoti Catchment Forum	Quarterly meetings	uMvoti River i.e. DEA, DEDTEA, Ilembe District, Kwadukuza Municipality, NGOs, industries and conservancies.	Addresses pollution and environmental degradation issues impacting on uMvoti Catchment, to address water issues, and quality issues within the municipality. To support catchment initiatives and share best practises.
Ilembe Coastal Committee	Quarterly meetings	DEA, DEDTEA, Ilembe District, Local Municipalities, NGOs, industries and conservancies	It is in line with the Integrated Coastal Management Act of which the Ilembe District chairs. The forum discusses coastal management issues and ensuring compliance and implementation of the ICM ACT and reporting to the Provincial Coastal Management Committee.
Planners Forum	Monthly meetings	DEA, DEDTEA, COGTA, DMR, Ilembe District, Kwadukuza Municipality, Ndwedwe Local Municipality, Maphumulo Local Municipality, and Mandeni Local Municipality.	To discuss wide range of issues affecting Planning and the development of planning tools such as Urban Edge, SDF and other planning tools

Central Kwazulu Natal Climate Change Compact (CKZNCCC)	Quarterly meetings	Local Municipalities, District Municipalities, Metro Municipalities, Provincial departments, Non-governmental organisations and Non-profit organisations.	The CKZNCCC is an initiative of the Durban Adaptation Charter (DAC) which commits Local Governments to local climate actions in their jurisdiction that will assist their communities to respond and adapt to climate change risks and opportunities.
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E1.7 IMPLEMENTATION PLAN

The table below shows proposed budget of Capital projects envisaged to be implemented over a period of the next three years, per Department. The status of projects is specified according to phases below:

- Rolled-Over, (RO)
- Planning Phase or (PP)
- Implementation Phase (IP)
- Close-out Phase (CP)

CORPORATE SERVICES DEPARTMENT

PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE
CS/01/2016	Implementation of employment equity through the filling of posts (New and attrition)	Internal					KDM
CS/02/2016	Implementation of employment equity through the filling of posts (New and attrition)	Internal					KDM
CS/03/2016	Skills and Training Development (annual update of workplace skills plan)	Internal					KDM
CS/04/2016	Skills and Training Development (training of staff)	Internal	R6 234 960	R 1 969 402.00	R2 077 719	R2 187 838	KDM
CS/05/2016	Skills and Training Development (training of Councilors)	Internal					KDM
CS/06/2016	Property management/Transfer of EEDBS units	19, 16, 22, 1, 3, 18					KDM
CS/07/2016	Reports on processing of complaints received	All wards					KDM
	Batho Pele Programme	Internal					KDM
CS/08/2016	Post matric workplace readiness programme	All wards					KDM
CS/09/2016	IGR reporting matters	Internal					KDM

CS/10/2016	Good governance reporting matters (risks, dashboard and AG action plan)	Internal					KDM
CS/10/2015	HR staff empowerment programme	Internal					KDM

CORPORATE GOVERNANCE DEPARTMENT

PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE
CG/01/2016	PMS Framework	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/02/2016	Performance Agreements	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/03/2016	Cascading of PMS to 3 levels below S56/57	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/04/2016	Annual Report & Oversight Report	Internal	R949 775.00	R300 000.00	R316 500.00	R333 275.00	KDM
CG/05/2016	Evaluation of S56/57 Managers	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/06/2016	Quarterly reviews and reporting	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/07/2016	Customer Satisfaction	Internal		R310 170.00	R325 679.00	R342 939.00	KDM

	Survey (CSS)						
CG/08/2016	IDP/ Mayoral Road shows	Internal/All		R 2220 500.00	R 231 525.00	R 243 796.00	KDM
CG/09/2016	Ward Committee Programme	Internal /All	R	R 4307578.00	R 4522 957.00	R 476 2674.00	KDM
CG/11/2015	Legal Services (Litigation Services) B2B	Internal		R2 3276 700.00	R244 3035	R2 56 5187	KDM
MM's Office							
CG/12/2016	Litigation Cases	Internal					KDM
MM's Office							
CG/13/2016	Risk Based Internal Audit Plan	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/14/ 2016	Risk Management (top ten risks)	Internal	R 0.00	R 0.00	R 0.00	R 0.00	KDM
CG/15/2016	Intergovernmental Relations (OSS)	All	R350 000.00	R100 000.00	R1200 000.00	R130 000.00	KDM
CG/16/201	Special Programmes	All					KDM
CG/17/2016	Contract Management	Internal	R0	R0	R0	R0	KDM
CG/18/2016	Clean Audit Dashboard Report	Internal	R0	R0	R0	R0	KDM
CG/19/2016	Clean Audit A.G. action	Internal	R0	R0	R0	R0	KDM

	plan							
CG/20/2016	Risk Management mitigation of top ten risks	Internal	R0	R0	R0	R0	R0	KDM
CG/21/2016	Top Layer SDBIP	Internal	R0	R0	R0	R0	R0	KDM
CG/22/2016	Music Festival	Internal		R490 000.00	R514 000.00	R541 769.00		KDM
CG/23/2016	Gender/ Vulnerable Groups	Internal		R2500 000.00	R300 000.00	R400 000.00		KDM
CG/24, 2016	Reed dance	Internal		R400 000.00	R450 000.00	R500 000.00		KDM
	Golf course redevelopment	16						
	Establishment of KwaDukuza Civic Centre	16						

ELECTRICAL ENGINEERING DEPARTMENT								
PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	BUDGET 2016/17 STATUS	DRAFT BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE	
ES/01/2015 To ES/05/2015	Upgrade Of LT Mains In North And South	19,6	R 2,310,000	R 670,000	R 1, 035,000	R 605,000	KDM	

ES/06/2015 To ES/14/2015 (North) And ES/15/2015 To ES/20/2015 (South)	Upgrade Of MV Networks In North And South	27,5,9,10,11,17, 13, 19,7,22,7,	R 14,402,473	R 4,280,473	R 4,820,000	R 5,302,000	KDM
ES/66/2014 To ES/73/2014	ROLL-OVER: Upgrade Of MV Networks In North	1,13,,17,26,27	R 2,705,822	R 1,672,864	R 1,032,958	RO	KDM
ES/80/2014 ES/81/2014 ES/84/2014 ES/85/2014 ES/86/2014	ROLL-OVER: Upgrade Of MV Networks In South	7,11,22,8,	R 1,353,141	R836,572	R 516,569	RO	KDM
ES/21/2015 To ES/47/2015	Street Lighting: Cluster A-Wards 1,2,3,25 Cluster B- Wards 13,19,27 Cluster C- Wards 14,15,24,26 Cluster D- Wards 9,10,11,12 Cluster E-Wards 7,8,20,23 Cluster F- Wards 4,6,21,22 Cluster G-Wards 5,16,17,18 AND R102 Streetlight upgrade investigation	1,2,3,25,13,,19, 27, 14,15,24,26,9,1 0 11,12,7,8,20,23, 4, 6,21,22,5,16,17, 18	A- R 2,628,003 B-R 1154815 C-R 2,475,205 D-R 2475205 E-R 2475205 F-R 1,484,384 G-R 1354364 R102 -R 315,000 Provincial Risk areas - R 692,927 Streetlight cable	A- R 528,003 B- R 377,815 C- R 375,205 D- R 375,205 E- R 375,205 F- R 434,384 G- R 304,364 Provincial Risk areas - R 692,927 Streetlight cable replacement -	A- R 1,000,000 B- R 370,000 C- R 1,000,000 D- R 1,000,000 E- R 1,000,000 F- R 500,000 G- R 500,000 R102- R150,000	A- R 1,100,000 B- R 407,000 C- R 1,100,000 D- R 1,100,000 E- R 1,100,000 F- R 550,000 G- R 550,000 R102 - R 165,000	KDM

ES/13/2014 To ES/19/2014 And ES/32/2014 To ES/35/2014	ROLL OVER: Street Lighting In Clusters A .B, C, D, E, F & G. AND Provincial high risk areas(PHR)	1,2,3,25,13,19 27,13,19,27	replacement - R 150,000	R 150,000			KDM
ES/48/2015 To ES/52/2015	Upgrading Of Substations - North & South	All	R8,322,874	R 4,592,874	R 3,330,000	R 400,000	KDM
ES/92/2014 And ES/99/2014	ROLL OVER: Upgrading Of Substations	All	R 8,000,636	R 3,013,510	R 4,987,126	RO	KDM
ES/53/2015	New Electrification	All					KDM / External

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ES/118/2014 To	ROLL OVER:		R 35,200,000	R 18,000,000	R 2,000,000	R 15,200,000	KDM / External
ES/121/2014	Electrification Project	19,14,24	R 25,970,952	R 19,299,915	R 6,671,037	RO	KDM
ES/54/2015	Electricity Bulk Supply- North And South		R 9,524,461	R 2,774,461	R 4,880,000	R 19,500,001P R 1,870,000	KDM
ES/102/2014	ROLL OVER:	24,22,				RO	KDM
ES/111/2014	Electricity Bulk Supply-North And South		R 17,516,731	R 13,862,229	R 3,654,502		KDM
ES/112/2014							
ES/56/2015	Dukuza Substation And Land Acquisition	22	R 49,296,045	R 9,296,045	R 10,000,000	R 30,000,000	KDM & External

CIVIL ENGINEERING DEPARTMENT							
PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE
CVL/44/2016	Wooden Bridges (27 Wards) (RO)	various wards	8 393 175	1 900 000	3 000 000	3 500 000	COUNCIL
CVL/45/2016	Bird Park Bridge Replacement(RO)	19	4 900 000	4 900 000			COUNCIL
CVL/46/2016	Traffic calming measures(IP)	Various wards	5 500 000	1 000 000	2 000 000	2000 000	COUNCIL

CVL/41/2016	Rehabilitation of Roads(IP)	Various wards	30 000 000	7 000 000	10 000 000	10 000 000	COUNCIL
CVL/42/2016	CBD Stormwater Analysis(IP)	19	1 800 000	1 800 000			COUNCIL
CVL/43/2016	Ward22-Colwyn Dr Rehabilitation(IP)	22	6 600 000	6 600 000			COUNCIL
CVL/01/2016	Balibo Civic BLDG Renovation(PP)	6	21 000 000	6 000 000	13 000 000		COUNCIL
CVL/02/2016	Kwadukuza CBD Ablution (PP)	19	2 000 000	150 000	1 700 000		COUNCIL
CVL/03/2016	Mhlali taxi rank(PP)		4 450 000	250 000	200 000	4 000 000	COUNCIL
CVL/44/2016	Stormwater Infrastructure Improvements (IP)		5 800 000	500 000	1 500 000	2 800 000	COUNCIL
CVL/45/2016	Nonoti Sportsfield (IP)	1	5 600 000	4 600 000			MIG/COUNCIL
CVL/46/2016	Rocky Park Recreation (CP)	19	250 000	250 000			COUNCIL
CVL/01/2016	Shayamoya Sport Complex(IP)	23	8 300 000	8 300 000			MIG
CVL/02/2016	Elete Sports field(IP)	7	4 760 000	4 760 000			COUNCIL

CVL/03/2016	Soweto Sport field (Changerooms & Ablutions)(PP)	2	1 500 000		1 500 000		COUNCIL
CVL/04/2016	Glenhills Adult Sports Facilities(PP)	13	1 500 000		1 500 000		COUNCIL
CVL/05/2016	Chris Hani Sport field (PP)	15	2 300 000		2 000 000		COUNCIL
CVL/06/2016	Indoor sports facilities(PP)	19	1 500 000		1 500 000		MIG
CVL/07/2016	Play Park(PP)	21	1 500 000			1 500 000	COUNCIL
CVL/08/2016	Community Hall Ward 17(IP)	17	1 400 000	1 400 000			
CVL/19/2015	Mbozamo Community Hall(CP)	18	1 400 000	1 400 000			MIG
CVL/20/2015	Mellow Wood Community Hall(IP)	22	5 750 000		3 750 000	1 850 000	COUNCIL
	Extension of Madundube Community Hall(IP)	27	4 288 680	750 000	2 788 680		COUNCIL
CVL/09/2016	Malende Multi Purpose Centre(PP)	9	10 050 000		1 200 000	8 000 000	MIG
CVL/10/2016	Grootville Community Hall(PP)	12	4 850 000		500 000	3 600 000	COUNCIL/MIG

CVL/11/2016	Gledhow Community Hall(IP)	15	4 750 000		500 000	3 600 000	COUNCIL/MIG
CVL/12/2016	Mdebeni Community Hall(IP)	25	4 850 000		500 000	3 600 000	COUNCIL/MIG
CVL/13/2016	Shayamoya Community Hall	26	4 850 000	4 290 000	500 000	3 600 000	COUNCIL/MIG
CVL/13/2015	Sakhamkhanya(CP)	25	552 913	522 913			COUNCIL
CVL/49/2015	Steve Biko Phase 2(CP)		2 959 544	2 959 544			COUNCIL/MIG
CVL/50/2014	Khuboni Bus Route(CP)	9	11 500 000	11 500 000			MIG
CVL/17/2015	Mkhabezi / Mabhodweni (W27)(IP)	27	9 000 000	9 000 000			MIG
CVL/14/2016	Charlottedale Ext to Dube Village(IP)	10/12	11 000 000	11 000 000			MIG/COUNCIL
CVL/07/2015	Ebhubha Access Roads (IP)	26	4 800 000	4 800 000			COUNCIL/MIG
CVL/08/2015	Mangomfani Road Improvement(IP)	11	7 455 170	7 455 170			COUNCIL/MIG
CVL/11/2015	Elete Internal Roads(IP)	7	23 369 515	11 980 000	8 023 119	4 000 000	MIG

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CVL/15/2016	Madakeni Access(IP)	27	3 500 000	3 500 000			MIG
CVL/16/2016	Lindelani Access Road(IP)	5	8 500 000	600 000	7 900 000		COUNCIL/MIG
CVL/18/2016	Ward 11/ Ward 10 Link Road Upgrading(PP)	10/11	4 550 000		4 200 000		COUNCIL/MIG
CVL/19/2016	Gaugcwa Road(PP)	27	6 698 700		6 698 700		COUNCIL/MIG
CVL/20/2016	Sokesimbone Phase 2 to Link San Succ(PP)	13	6 700 000		1 000 000	5 000 000	COUNCIL/MIG
CVL/21/2016	Ward 4 Internal Roads(PP)	16	2 250 000		2 200 000		COUNCIL/MIG
CVL/22/2016	Grootville Surface Roads & Stormwater(PP)	10	4 000 000		4 000 000		COUNCIL/MIG
CVL/23/2016	Hambehuba Bridge(PP)	9	3 400 000	1 690 300	1 500 000	2 000 000	COUNCIL/MIG
CVL/24/2016	Gledhow South Link(PP)	15	3 250 000		3 250 000		COUNCIL/MIG
CVL/25/2016	Maphitiza Roads Upgrading(PP)	24	4 450 000		2 200 000	2 000 000	COUNCIL/MIG
CVL/26/2016	Hlalankosi, Shekenbula Access Road(PP)	25	8 040 000	8 040 000	3 869 181	4000 000	COUNCIL/MIG

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CVL/27/2016	Sokesimbone Stormwater upgrading- turnkey	1	7 230 000	7 230 000			MIG
CVL/28/2016	Diphini Access Road (PP)	26	4 400 000	5 520 000	2 000 000	2 000 000	COUNCIL/MIG
CVL/29/2016	Nyathikazi Bridge(PP)	3	1 725 000		150 000	1 500 000	COUNCIL/MIG
CVL/30/2016	Extension of Roads(PP)	19	4 450 000		250 000	4 000 000	COUNCIL
CVL/31/2016	Mkhambeni to Nyongq(PP)	27	3 900 000		200 000	3 500 000	COUNCIL/MIG
CVL/32/2016	Nsikeni Road(PP)	27	4 750 000		200 000	4 000 000	COUNCIL/MIG
CVL/33/2016	Shakashhead Storm water(IP)	4	4 400 000	4 000 000			COUNCIL/MIG
CVL/34/2016		13	1 350 000		1 350 000		COUNCIL/MIG
	Steve Biko Crèche(IP)						
CVL/35/2016	Nonoti Mouth Crèche(PP)	3	3 450 000		450 000	2 700 000	COUNCIL/MIG
CVL/36/2016	Etete Crèche(PP)	7	3 450 000		450 000	2 700 000	COUNCIL/MIG
CVL/37/2016	Lindelani Crèche(PP)	5	3 450 000		450 000	2 700 000	COUNCIL/MIG

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CVL/38/2016	Khalafukwe Crèche(PP)	20	3 450 000		450 000	2 700 000	COUNCIL/MIG
CVL/39/2016	Melville Crèche(PP)	24	3 450 000		450 000	2 700 000	COUNCIL/MIG
CVL/40/2016	Ntshawini Crèche(PP)	15	3 450 000		450 000	2 700 000	COUNCIL/MIG
CVL/41/2016	Driefontein Crèche(PP)	21	3 100 000		2 700 000		COUNCIL/MIG
	Transportation Networks & Facilities(IP)		9 590 000		9 590 000		COUNCIL
CVL/42/2016	Grootville Surface Roads & Stormwater	10	12 160 050			12 160 050	COUNCIL
CVL/43/2016	Commuter shelters	various	500 000	500 000			COUNCIL
CVL/44/2016	Ward 6-Road Construction	6	2 500 000	2 500 000			COUNCIL
CVL/45/2016	W2 Darnall Road(Palm Grove/Millway)	2	1 500 000	1 500 000			COUNCIL
CVL/46/2016	Chief Albert Luthuli Rehab	19	9 500 000	9 500 000			COUNCIL
CVL/47/2016	Lavoipierre Yard Improvements	19	3 050 000	3 050 000			COUNCIL
CVL/48/2016	Kwadukuza Cbd Bus/Taxi Rank(side walks)	19	500 000	500 000			COUNCIL
CVL/49/2016	Bailito Taxi Rank	6	500 000	500 000			COUNCIL
CVL/50/2016	Conference centre	6			450 000	7 475 000	MIG/COUNCIL

MUNICIPAL SERVICES DEPARTMENT

PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE
PARKS AND GARDENS							
	Develop 8 play parks		R450 000	0	R 200 000	R 250 000	Council
	Planting of 1 indigenous and 1 fruit tree at low income housing developments						
			R 400 000	0	R 200 000	R 200 000	Council
	Cleaning of invasive alien vegetation		R 900 000	R 200 000	R 300 000	R 400 000	Council
	Install 3 beach access walk ways		R 550 000	0	R 300 000	R 250 000	Council
	Park Equipment		R 450 000	R150 000	R 150 000	R 150 000	Council
	Upgrade to the skateboard park	6	R 300 000	0	R 100 000	R200 000	Council
	Upgrade to Gifford Crescent Park	22	R 250 000	R 150 000	R 50 000	R 50 000	Council

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	Upgrade to Driefontein Sports field	21	R1 000 000	R500 000	500 000	0	Council
	Upgrade to Shakashead Sports field	4	R1 000 000	0	R500 000	R500 000	Council
	Upgrade to Stanger Manor Sports field	17	R1 000 000	0	R500 000	R500 000	Council
MARINE SAFETY/BEACHES							
	New Boat Launch Site		R200 000	0	R200 000	0	Council
	Develop facilities at a new beach-Noroi	3	R3 000 000	0	R2 000 000	R1 000 000	
	Council						
	3 Quad Bike		R350 000	0	R200 000	R150 000	Council
	1 X (4X4 Vehicle)		R800 000	0	R400 000	R400 000	Council
	Jet Ski's		R210 000	R70 000	R70 000	R70 000	Council
	Complete upgrade of Blythdale Beach	11	R2 200 000	R1 000 000	R1 000 000	R200 000	Council
	Upgrade Zinkwazi Beach facilities	3	R400 000	0	R200 000	R200 000	Council

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CEMETERIES

New Cemetery establishment, land acquisition and development	5	R30 000 000	R10 000 000	R10 000 000	R10 000 000	MIG and Council
Crematorium Upgrade	5	R600 000	R200 000	R200 000	R200 000	Council
Vlakspruit Cemetery Development		R30 000 000.00	R8 000 000.00	R10 000 000.00	R12 000 000.00	MIG and Council

COMMUNITY SAFETY

Mini Bus		R2 000 000.	R1 000 000	R1 000 000	0	Council
Quad Bikes		R300 000	0	R150 000	R150 000	Council
Street Bikes		R750 000	R300 000	R300 000	R150 000	Council
Sedans/LDVS		R2 100 000	R700 000	R700 000	R700 000	Council
4X4 Vehicle		R1 200 000	R400 000	R400 000	R400 000	Council
Sirens and Blue Lights		R250 000	R100 000	R100 000	R50 000	Council
Armoured Vehicle		R4000 000	0	R2 000 000	R2 000 000	Council
Vehicle -road marking section		R450 000	R225 000	R225 000	0	Council
Road marking equipment		R600 000	R200 000	R200 000	R200 000	Council

FIRE AND EMERGENCY

Fire station upgrade		R 2000 000	0		R1 000 000	R1 000 000	Council
Parkhome		R 500 000	0		R 500 000	0	Council
Bush Firefighting Vehicle		R 2 000 000	0		R 0	R 2000 000	Council
Minibus		R 900 000		R450 000	R 450 000	0	Council
Utility Vehicle		R 400 000		R 200 000	R 200 000	0	Council

WASTE MANAGEMENT

Waste Transfer Site		R 2000 000		R500 000		R1 000 000	Council
Recycling		R 600 000		R200 000		R200 000	Council
2 x Skip Trucks		R 4 000 000	0		R2 000 000	R2 000 000	Council
1x Waste Compactor		R 4 000 000	0		R2 000 000	R2 000 000	Council
Refuse Bins		R 600 000		R200 000		200 000	Council
Skips		R 1 000 000	0		R500 000	R500 000	Council
Shipping containers		R60 000	0		R60 000	0	Council
Rehab of Shakaville landfill site		R20 000 000	0		R10 000 000	R10 000 000	Council

TESTING & MOTOR LICENCING

New Testing and motor licensing centre Two light and heavy duty drivers licenses examining sites		R 6 000 000		R2 000 000		R2 000 000	Council
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	CCTV		R 60 000	30 000	R 30 000	0	Council
	Vehicle Pound		R 800 000	R 300 000	R 500 000	0	Council
DISASTER MANAGEMENT							
	New Vehicle		R 400 000	0	R 400 000	0	Council
	Relief Equipment		R 1 500 000	R 500 000	R 500 000	R 500 000	Council

FINANCIAL DEPARTMENT							
PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST - 3 YRS	ALLOCATED BUDGET 2015/16 STATUS	INDICATIVE BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	FUNDING SOURCE
FD/01/2016	Revenue Collection	All	R0	R0	R0	R0	KDM
FD/02/2016	Debt Collection	All	R0	R0	R0	R0	KDM
FD/03/2016	Revenue Management - Meetings held by ELTT	All	R0	R0	R0	R0	KDM

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FD/04/2016	Budget Management – Budget Implementation Reports	All	R0	R0	R0	R0	R0	KDM
FD/05/2016	Budget Management – S72 reports	All	R0	R0	R0	R0	R0	KDM
FD/06/2016	Budget Management - Adjustment Budget	All	R0	R0	R0	R0	R0	KDM
FD/07/2016	Financial Management – Outcome of audit report	All	R0	R0	R0	R0	R0	KDM
FD/08/2016	Financial Management – Submission of AFS	All	R0	R0	R0	R0	R0	KDM
FD/09/2016	Financial Management – Financial Ratio	All	R0	R0	R0	R0	R0	KDM
FD/10/2016	Financial Management – Financial Ratio	All	R0	R0	R0	R0	R0	KDM
FD/11/2016	Financial Management – Financial Ratio	All	R0	R0	R0	R0	R0	KDM
FD/12/2016	Financial Management – Financial Ratio	All	R0	R0	R0	R0	R0	KDM
FD/13/2016	Asset Management	All	R0	R0	R0	R0	R0	KDM
	Financial Management – mScoa	All	R2 300 000	R0	R2 000 000	R300 000		KDM
PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST – 3 YRS	ALLOCATED BUDGET 2015/16 STATUS	INDICATIVE BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	FUNDING SOURCE	
FD/14/2016	Expenditure Management – Procurement plan	All	R0	R0	R0	R0	KDM	
FD/15/2016	Expenditure Management – Tender turnaround time	All	R0	R0	R0	R0	KDM	
FD/16/2016	Expenditure Management – Tender awards	All	R0	R0	R0	R0	KDM	

FD/17/2016	Revenue Management – Excess to FBS	All	R0	R0	R0	R0	R0	KDM
FD/18/2016	Revenue Management – Reconciling of GVR to Munsoft	All	R0	R0	R0	R0	R0	KDM
FD/19/2016	Expenditure Management – Implementation of IDM policy	All	R0	R0	R0	R0	R0	KDM

ECONOMIC DEVELOPMENT AND PLANNING DEPARTMENT								
PROJECT ID	PROJECT NAME	WARD	ESTIMATED COST – 3 YRS	PROPOSED BUDGET 2016/17 STATUS	INDICATIVE BUDGET 2017/18 STATUS	INDICATIVE BUDGET 2018/19 STATUS	FUNDING SOURCE	
EDP/01/2016	KwaDukuza City Development Strategy	1 - 29	R 1 424 192,00			0	Council	
EDP/02/2016	Hawkers Facilities			R350 000			Council	
EDP/03/2016	Tourism Signage			R200 000			Council	
EDP/04/2016	KwaDukuza Municipality R102 Corridor	2 – 5 7 – 24 26 – 28 29	R 850 468,00			0	Council	

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SECTION F: FINANCIAL PLAN

F1. OPERATING AND CAPITAL BUDGET ESTIMATES

The five year financial plan includes an Operating Budget as well as the Capital Investment Programmes per source of funding for the Medium Term Revenue and Expenditure Framework ending June 2019 (5 years starting from 2014/2015 to 2018/2019). The estimates are guided by a National Treasury Circular and Priorities from the municipality's IDP taking into account the 2011 Municipal Lekgotla Resolutions.

1.1. BUDGET ESTIMATES

The KwaDukuza Municipality budget has been prepared in terms of Chapter 4, section 24 of the Municipal Finance Management Act, no 56 of 2003. The Operating Budget Estimate for a 3 year period starting from 01 July 2016 to 30 June 2019.

Description	Ref	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework			
		2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Property rates	2	237 479	257 976	274 954	305 871	305 871	305 871	305 871	346 237	367 707	391 603
Property rates - penalties & collection charges		10 744	9 666	8 830	12 106	5 050	5 050	5 050	12 106	12 832	13 640
Service charges - electricity revenue	2	467 668	526 849	566 804	649 849	648 591	648 591	648 591	680 624	733 943	792 886
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	42 645	47 634	54 849	58 563	58 563	58 563	58 563	68 077	72 161	76 708
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		055 1	065 1	065 1	074 1	074 1	074 1	074 1	133 1	201 1	276 1

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Interest earned - external investments	21	099	21	700	491	30	24	24	24	24	24	32	34	36
Interest earned - outstanding debtors	2	729	4	283	673	5	4	5	5	5	676	017	6	6
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	5	887	25	973	075	21	31	31	31	31	949	985	35	38
Licences and permits	8	571	8	768	88	8	180	183	183	183	193	205	218	11
Agency services	-	-	-	-	535	8	706	706	706	706	294	911	599	11
Transfers recognised - operational	95	652	100	142	744	119	022	123	123	123	372	058	145	150
Other revenue	75	140	47	269	62	46	648	59	59	59	177	533	42	44
Gains on disposal of PPE	84	-	-	-	54	30	30	30	30	30	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	968	669	1 051	1 051	1 154	1 263	1 273	1 273	1 273	1 273	1 362	1 463	1 564	116

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Expenditure By Type																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															</
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Loss on disposal of PPE	4	538	-	759	1	423	468	468	468	494	519	546
Total Expenditure	850	629	334	951	1 066	1 263	1 273	1 273	1 273	1 339	1 410	1 497
Surplus/(Deficit)	118	040	076	100	87	29	32	32	32	22	52	66
Transfers recognised - capital	21	012	509	41	73	83	68	68	68	68	72	63
Contributions recognised - capital	6	-	-	-	500	14	500	2	500	-	-	-
Contributed assets	18	429	025	5	15	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	157	481	611	146	176	97	71	71	71	91	124	129
Taxation	157	481	611	146	176	97	71	71	71	91	124	129
Surplus/(Deficit) after taxation	157	481	611	146	176	97	71	71	71	91	124	129
Attributable to minorities	157	481	611	146	176	97	71	71	71	91	124	129
Surplus/(Deficit) attributable to municipality	157	481	611	146	176	97	71	71	71	91	124	129

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Share of surplus/ (deficit) of associate	7												
Surplus/(Deficit) for the year		157	146	176	97	71	71	71	91	124	129		
	481	611	990	846	287	287	287	287	185	982	576		

Table 29 - medium term expenditure framework

The operating budget reflects an overall surplus on operations of R 91.1m for 2016/17 budget year including the capital grants.

1043

1044

The 2016/2017 budget focuses on the long and short term objectives and priorities of Council as well as outcomes and outputs based on the following IDP priorities:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development and Social Development Issues
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Cross Cutting (Spatial Analysis, Environmental Management, Disaster Management).

2. Capital Budget Estimate – Funding by standard classification – 2016/17 – 2018/19

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19		
R thousand	1												
Capital Expenditure - Standard													
Governance and administration		10 165	13 158	11 124	32 335	11 685	11 685	11 685	16 720	10 507	580		
Executive and council		6 953	9 141	8 532	26 775	7 895	7 895	7 895	11 720	10 107	180		
Budget and treasury office		659	347	363	700	000	000	000	660	-	-		
Corporate services		2 552	3 671	1 229	3 860	1 790	1 790	1 790	3 340	400	400		
Community and public safety		10 472	16 959	14 676	43 267	33 602	33 602	33 602	32 974	33 295	38 843		
Community and social services		2 472	6 443	5 207	11 239	20 603	20 603	20 603	21 203	22 550	16 618		
Sport and recreation		4 210	7 661	1 572	13 382	6 868	6 868	6 868	3 860	200	200		

1045

Public safety	3	2	7	17	4	4	4	6	10	21
	790	180	801	586	981	981	981	776	190	800
Housing	-	675	96	060	1	1	1	135	355	225
Health										
Economic and environmental services	44	121	113	185	186	186	186	137	138	104
	568	083	848	402	542	542	542	982	673	725
Planning and development	2	5	2	20	12	12	12	4	3	4
	117	703	355	797	220	220	220	350	035	140
Road transport	42	115	111	164	174	174	174	133	135	100
	451	380	493	605	323	323	323	632	638	585
Environmental protection										
Trading services	41	108	105	114	108	108	108	56	30	28
	935	865	913	340	352	352	352	907	584	244
Electricity	41	103	104	112	106	106	106	56	29	28
	272	456	569	538	897	897	897	587	764	174
Water										
Waste water management										
Waste management	5	1	1	1	1	1	1			

1046

Other		663	409	344	803	455	455	455	320	820	70
Total Capital Expenditure - Standard	3	140	260	245	375	340	340	340	244	213	172
Funded by:											
National Government		21	37	67	81	67	67	67	67	72	63
Provincial Government		012	135	352	772	165	165	165	864	113	066
District Municipality			4	10	1	1	1	1			
Other transfers and grants			375	143	545	590	590	590	385	255	-
Transfers recognised - capital	4	21	41	77	83	68	68	68	68	72	63
Public contributions & donations	5	18	5	15	14	2	2	2	2		
Borrowing	6	25	13	74	17	18	18	18	-	-	-
Internally generated funds		41	200	78	260	250	250	250	174	140	109
		830	382	132	232	558	558	558	149	690	326

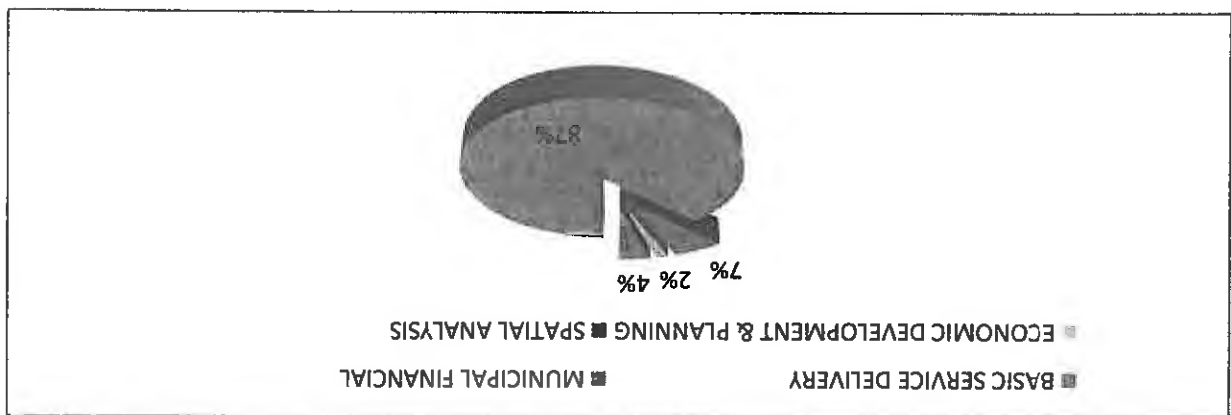
1047

Total Capital Funding	7	107	260	245	375	340	340	340	244	213	172
		140	066	561	344	181	181	181	583	059	392

1048

The graph above depicts economic resource allocation as per the Integrated Development Planning of KwaDukuza Municipality. Council's main objective is to ensure there is a continued service delivery so as to increase community wealth. Council has allocated 87% of its financial resources to basic service delivery in the capital budget. To ensure that the economic and spatial development is kept to an acceptable level council contributed 6% of its cash resources towards funding the capital budget. It should be noted that the majority of the activities relating to job creation are in the basic services delivery objective for both capital and operational budgets.

Graph 9 - strategic objective and capital budget



IDP Strategic Objective and the Capital Budget

1049

Strategic Objective R thousand	Goal	Goal Code	Ref	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework		
				2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
				Audited Outcome	Audited Outcome	Audited Outcome						
BASIC SERVICE DELIVERY	Electricity	A		38 715	99 429	104 569	112 538	106 897	106 897	56 587	29 764	28 174
	Waste Management	B		586	5 409	1 344	1 803	1 455	1 455	320	820	70
	Community	C		950	6 788	3 725	5 277	3 918	3 918	2 203	3 350	805
	Roads and Stormwater	D		37 856	119 888	111 493	160 379	174 323	174 323	133 632	135 638	100 585
	Cemeteries	E		650	714	1 481	15 862	16 686	16 686	19 000	19 200	15 813
	Housing	F		38	678	96	060	1 150	1 150	1 135	1 355	225

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[illegible]

KZN292 KwaDukuza - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		93	103	96	111	117	117	122	136	150
		699	082	956	119	219	219	119	487	541
Local Government Equitable Share		72	77	71	105	105	105	116	132	146
		649	550	677	352	352	352	642	042	463
Municipal Systems Improvement		800	890	934	450	450	450			
Finance Management		1	1	1	1	1	1	1	1	1
		500	550	700	400	400	400	725	800	285
EPWP Incentive		1	1	1	1	1	1	1		
		000	000	248	418	418	418	285	-	-
MIG Funded PMU Costs		1	2	1	2	2	2	2	2	2

1053

	750	092	397	499	499	499	499	467	645	793
MIG Transfer To Ilembe	000	16 000	20 000	20 000	-	100 6	100 6	-	-	-
Provincial Government:	807	9 187	8 557	9 448	8 064	6 064	6 253	8 571	8	-
Health subsidy	205	1	-	-	-	-	-	-	-	-
Sport and Recreation	150	-	-	-	-	-	-	-	-	-
Provincialisation of Libraries	281	1 690	2 800	2 894	2 894	2 894	2 048	3 199	3	-
Thusong Centre	-	-	-	-	-	-	-	-	-	-
Museum Subsidy	134	284	151	166	166	166	175	184	-	-
Community Library Service Grant	191	240	252	510	510	510	537	565	-	-
Community Participation in IDP	-	-	-	-	-	-	-	-	-	-
MPCC	-	-	-	-	-	-	-	-	-	-

Housing Accreditation	6	4	6	4	2	2	4	4		
846	973	354	878	494	494	493	623	-		
District Municipality:	314	-	346	-	-	-	-	-		
Ilembe Shared Services	314	-	346	-	-					
Other grant providers:	-	-	-	-	-	-	-	-		
[Insert description]										
Total Operating Transfers and Grants	5	103	111	106	119	123	123	130	145	150
	820	269	859	567	283	283	372	058	541	
Capital Transfers and Grants										
National Government:	28	47	30	81	67	67	67	72	63	
	306	749	129	772	165	165	864	113	066	
Municipal Infrastructure Grant (MIG)	17	19	26	47	41	41	46	50	53	
	399	749	544	485	385	385	864	246	066	
Neighbourhood Development Partnership	2	23	3	15	7	7	11	8		

1059

Electricity Demand Side Mangement Frant	907	000	585	507	000	000	000	867	-
Integrated National Electrification Programme	000	8	-	-	-	-	-	-	-
	-	000	5	000	18	000	10	000	10
Municipal Systems Improvement	-	-	-	480	480	480	-	-	-
Finance Management	-	-	-	300	300	300	-	-	-
Provincial Government:	896	1	5	8	1	1	1	255	-
CBD Revitalisation Grant	133	64	-	-	-	-	-	-	-
Corridor Funding	229	1	4	5	-	-	-	-	-
Rehab Of Kwadukuza Museum	534	87	-	-	-	-	-	-	-
Small Town Rehabilitation	-	-	000	3	-	-	-	-	-
Housing Accreditation	-	-	-	545	590	590	385	255	-

Beach Rehab Grant	-	204	1	-	000	1	000	1	000	1	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-	-	-	-	-
Ilembe Shared Services													
Other grant providers:	-	-	4	500	-	-	-	-	-	-	-	-	-
Revenue Enhancement Grant (I/A-Sport Facilities)	-	-	500	4	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	30	53	42	83	68	68	249	68	72	066	63	
TOTAL RECEIPTS OF TRANSFERS & GRANTS		134	580	149	884	192	192	620	198	426	217	213	
		022		488		038	038					607	

3. FINANCIAL STRATEGY

The financial policy of KwaDukuza Municipality is to provide a sound financial base and the resources necessary to sustain a satisfactory level of the municipal services for the community of KwaDukuza. It is the goal of the Municipality to achieve and a strong financial position with the ability to withstand local and regional economic impacts, adjust effectively to the community's changing service requirements, and manage the municipality's budget and cash flow to the maximum benefit of the community and provide a high level of protective services to assure public health and safety.

KwaDukuza Municipality's financial policies will address the following goals:

- To keep the municipality in a fiscally sound position in both long and short term;
- Maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- Apply credit control policies which maximize collection while providing relief for the indigent; and recognizing the basic policy of customer care and convenience.
- Maintaining existing infrastructure and other capital assets.

4. GENERAL STRATEGIES

4.1. INCREASING THE LEVEL OF CONFIDENCE IN INVESTORS

For any investor to invest in any area, they need to see the municipality is financially disciplined. They want to see that their investments will be protected and then obviously profitable. This includes adherence to statutory requirements, the assurance that the financial statements are prepared timeously and a good record of unqualified reports. Indeed KwaDukuza Municipality has displayed all of these and for TEN years in a row has produced unqualified financial statements (2005/06 – 2014/15). This Municipality is confident that for the 2016/17 financial year as well they will indeed be issued with another unqualified report by the Auditor General.

5. FINANCIAL FRAMEWORK

The following are the financial resources for funding the operating and capital budget for the 2016/17 financial year:

Operating budget: Revenue

Property Rates

Property Rates – penalties imposed and collection charges

1059

Service charges – electricity revenue

Service charges – refuse revenue

Service charges - other

Rental of facilities and equipment

Interest earned – external investments

Interest earned – outstanding debtors

Fines

Licenses and permits

Transfers recognized – operation

Other revenue

Gains on disposals of PPE

Operating budget: Expenditure

Standard Classification

Executive and council

Budget and treasury office

Corporate services

Community and social services

Sport and recreation

Public safety

Health

Planning and development

Road transport

Electricity

Waste management

Capital budget:

Grant funding/ Public contributions

Internal Funding (Council Funding) and

External Funding (Loans)

6. ASSET MANAGEMENT STRATEGIES

The Municipality must ensure that the asset management system is fully implemented and functional. There is a need for the municipality to identify all the unutilized assets so that they can be disposed of. The status of the asset register review process and asset verification starts towards the end of January every financial year. This is an ongoing process that is now done in-house by KwaDukuza Municipality and consultants are only called in for a review to ensure we comply with required standards. The Municipality was able to implement the assets project in-house from the 2011/12 financial year to date. The Municipality is utilizing computerized asset management software and is already in the process of investigation, identification and implementation of suitable integrated asset management system with the implementation of Mscosa. This will also include the capture of all assets onto the system, the maintenance of this system and the production of a complete asset register in terms of GRAP/GAMAP requirements.

7. FINANCIAL MANAGEMENT STRATEGIES

The following are some of the more significant programmes that have been identified:

Ensure continued compliance with GRAP

Audit of electricity meters

Linking of prepaid meters to debtors book

Replacement of faulty meters

Maintain and update valuation roll.

Management of prepaid data base

Efficient vending of prepaid electricity

Reviewing of critical policies

Updating of Fixed Assets Register

Enable a greater awareness of the Municipal Property Rates Act

Complete audit of all properties within municipal area of jurisdiction

Implement Smart Metering systems able to implement IBT/TOL and remote meter readings, disconnections, reconstructions, etc.

Renovations to Finance Building

8. BUDGETS

National Treasury has published draft budget and reporting regulations in accordance with the relevant provisions of the MFMA. This resulted in the organogram changes of finance directorate in order to effectively deal with those budget regulations. KwaDukuza Municipality complied with these regulations from the inception and will maintain full compliance in the 2016/17 financial year. KwaDukuza Municipality complied with the National Treasury Budget and Reporting Regulation formats introduced in 2010/11.

9. SCOA

National Treasury has gazetted mSCOA for implementation at all municipalities as at 1 July 2017.

This process will effectively entail amending the current 2 segment chart (i.e department and item) into a 7 segment multi-dimensional chart.

In order to facilitate adoption NT has approved various pilot sites, which were to go "live" on mSCOA during the second and third quarter of 2015. There has been mixed success with this process to date dependent on the service providers utilised by the respective municipalities. Whilst we have received favourable reviews of Munsoff's ability to be mSCOA complaint we have not received any firm confirmation from National Treasury to date. National Treasury has however recently released MFMA Circular 80 which details the processes to be followed in assessing if the current financial system meets the mSCOA requirements.

Detailed below is further information in relation to the implementation of mSCOA.

mSCOA Awareness and Training:

- This process has commenced, with various Finance officials attending mSCOA sessions.
- A detail presentation of mSCOA has been undertaken at MANCO and Budget Steering Committee. As part of the 2016.17 budget development, awareness sessions have begun to be tiered to other departments.
- There are currently no accredited training courses on the market. Certain officials did however attend a 3 training session hosted by Provincial Treasury during early December.

Governance Structures:

- Certain IT hardware upgrades have been implemented to ensure the smooth roll out of the software platform for mSCOA.
- Budget Availability:
- A mix of Finance Management Grant and Internal Funding is to be utilised. This has been provided for in the 2016.17 draft budget.
- mSCOA Literature:
- There are unfortunately insufficient documents and guides relating to mSCOA at this stage. This is only expected to increase when the accreditation process begins for service providers. In the interim, practically working through the tables and charts remain the best way to learn about mSCOA.

Migration to mSCOA Chart:

This process will be one of the final stages to be complete. NT is updating the final chart structure.

We can however start immediately with the review of our existing trial balance to ensure there are no obsolete / slow moving accounts without valid reasons. Our budgeting will also need to be done on a line item basis using a "zero based" principle with no globular budgets to ensure a smooth transition to mSCOA. This has begun with the 2016.17 draft and further refinement will continue during the consultation process.

Mapping of Business Processes

The following minimum 15 business processes which are required to be mapped have been released :

1. Corporate governance
 2. Municipal budgeting, planning and financial modelling
 3. Financial accounting
 4. Costing and reporting
 5. Project accounting
 6. Treasury and cash management
 7. Procurement cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable
 8. Grant management
 9. Full asset life cycle management including maintenance management
 10. Real estate and resource management
 11. Human resources and payroll management
 12. Land use and building control management
 13. Valuation roll management
 14. Revenue cycle: meter reading, billing, accounts receivable, revenue management & receipting
 15. Customer care, credit control and debt collection
- This is important to ensure that all role players are aware of the impact which mSCOA may have on their day to day work and enforce a standardised approach in accounting for transaction. This will need to be rolled out upon the completion of the above mentioned awareness sessions.
- Sections which have existing Standard Operating Procedures will find it much earlier to complete the above compared to those which do not. More than any other factor, success of implementing mSCOA will hinge on adequate business process documentation.

F 1.9 FINANCIAL STATEMENTS

With effect from 2008/09 financial year, Kwadukuzi Municipality had to fully comply with the standards of GRAF. In order to show effective compliance with these and other standards will also necessitate an amendment to the finance organogram. There is a continued training on GRAF in order to keep up with the standards.

F 1.10 FINANCIAL MANAGEMENT POLICIES

Supply Chain Management Policy

A municipality is required in terms of Section 111 of the MFMA to develop and implement a Supply Chain Management Policy. The comprehensive Supply Chain Management Policy governs, inter alia, the procurement of goods and services; disposal of goods and selecting contractors to aid the Municipality in service delivery.

Fixed Asset Management Policy

The Fixed Asset Management Policy governs the acquisition, utilisation, control, maintenance and disposal of assets of KDM. This policy ensures that assets are managed in an economical, effective and efficient manner throughout their life cycles, to achieve the maximum level of service.

Credit Control & Debt Collection Policy

The Credit Control & Debt Collection Policy, adopted by Council, focuses on all outstanding debt and aims to promote a culture of good payment habits amongst debtors. Debtors have a responsibility towards the payment of their accounts. This policy implements an appropriate, innovative system of debt collection, which is also cost-effective. The aim of this policy is to ensure that debt is collected in the shortest possible time, without any interference in the process, thereby reducing all municipal debt.

The Credit Control & Debt Collection Policy ensures a sensitive, transparent and equitable approach to debt recovery. It prescribes methods to effectively and efficiently deal with those who default on payments, whilst taking indigent consumers into consideration and keeping costs to a minimum.

Funding & Reserve's Policy

The Funding & Reserves Policy is aimed at ensuring that the KDM procures sufficient and cost-effective funding to achieve its capital expenditure objectives in an optimum manner. This policy must be adhered to in the procurement of funding, whilst considering the maturity profile of KwaDukuza's assets and liabilities.

This policy sets out the assumptions and methodology for estimating:

- Revenue;
- Revenue that will not be collected;
- Proceeds from the disposal of assets;
- Proceeds from borrowings; and
- Funds to be set aside in Reserves (excluding Reserves held in order to comply with GRAP standards)

Virements Policy

The Virements Policy is in place to ensure good budgeting practice, effective financial management and improved budgetary controls. This policy established a framework for managers to administer their budgets successfully and remain within limitations.

Long Term Financial Planning

A policy has been developed on the Long term financial planning of the Municipality to achieve KwaDukuza's 2030 vision.

Council reviews all budget-related policies annually. These policies are in compliance with all relevant legislation.

Rates Policy

The Rates Policy applies to all currently rated properties and also covers exemptions, rebates and reductions. This policy ensures that all new rates are tabled to Council for approval, before being implemented. The Rates Policy is in line with MPRA.

Indigent Policy

The objective of the Indigent Policy is to ensure the following:-

The provision of basic services to indigent households in a manner that is sustainable, within the financial and administrative capacity of the Council.

To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using Council's budgetary provisions, according to prescribed guidelines.

Indigent households, in terms of this policy, qualify for

- An electricity subsidy (based on a certain number of kWh)
- A 100% refuse subsidy
- A subsidy for service charges

All conditions stated in this policy must be met before a household may be registered as "indigent". Households are required to formally apply for relief and must register each year for indigent support. The prescribed documentation is available from KDM Offices. Annually the municipality runs a publicised indigent registration campaign to register all indigent households.

Tariff Policy

In terms of Section 74 of the Local Government Municipal Systems Act 2000, a municipal Council must adopt and implement a Tariff Policy. The Tariff Policy is the policy for levying fees, rates or taxes for the municipal services provided by KDM. Tariff calculations are based on the nature of the service provided and treat all users of municipal services equally, by ensuring that consumers pay in proportion to the amount of services consumed.

This policy covers the Tariff Determination Process and also the Classification and Pricing Strategies of Services. It highlights the fact that all proposed tariffs are presented to the community of KwaDukuza during the Council's consultation process in respect of the MTRREF. The aims of this policy are

- To promote local economic development growth and competitiveness
- To cater for the indigent households whilst keeping rates affordable
- To ensure financial sustainability of service delivery

This Policy complies with the MSA.

Borrowings Policy

The Borrowings Policy establishes a framework for incurring debt. It must be noted, however, that KDM does not raise any short-term debt. The guidelines provided in this policy ensure that KDM adheres to all statutory requirements regarding long-term debt. This policy aims to obtain funds at the lowest possible interest rates, and with minimum risk.

Budget Policy

The Budget Policy sets out the principles followed by KDM in drafting the MTRREF. This policy covers the responsibilities of the Mayor, the MM, the CFO and other senior managers in preparing the MTRREF. The operating and capital budget, budget funding, budget transfers, unavoidable expenditure and the budget preparation process are covered extensively.

Infrastructure, Investments & Capital Projects

This policy deals with investments in Infrastructure and Capital Projects to address the backlogs in service delivery as well as to promote economic growth in KwaDukuza.

Free Basic Services

Indigent households receive 75 KWH of electricity free each month. Refuse for these low income areas are raised and credited from equitable share. Rates on properties below a certain value receive a 100% rebate.

Payment Points

Payment for municipal services, rates & taxes can be made electronically by debit orders, internet and stop orders. Payments can be made at any point where there is an Easy Pay sign, using the deposit slip on the statement to pay at any First National Bank and the Post Office. KwaDukuza and Ballito municipal offices are also used as pay points as well.

F 1.11 INVESTMENT POLICIES

Every municipal council is required in terms of Section 13(2) of the Municipal Finance Management Act (MFMA) to approve a Cash and Investments Policy for the Council. The primary objective of the investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used. For this to be achieved, it is essential to have an effective cash flow management program. Before any monies can be invested, the Chief Financial Officer or his/her delegate must determine whether there will be surplus funds available during the term of the investment. The term of the investment should be fixed and in order to do this it is essential for the cash flow estimates to be drawn up.

Investment shall be made with care, skill, prudence and diligence. Investment officials are required to adhere to written procedures and policy guidelines, exercise due diligence and exercise strict compliance with all legislation. KwaDukuza Municipality will not invest more than 30% of available funds with a single institution. The Minister of Finance may identify by regulation in terms of Section 168 of the MFMA instruments or investments other than those referred to below in which the Municipality may invest:

Deposit with banks registered in terms of the Banks Act, 1990 (Act No.94 of 1990);

Securities issued by the National Government;

Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No. 46 of 1984);

A Municipality's own stock or similar type of debt;

Bankers, acceptance certificates or negotiable certificates of deposits of banks;

Long term securities offered by insurance companies in order to meet the redemption fund requirements of Municipalities.

F2. SECTOR ALIGNMENT

SECTOR DEPARTMENTS MEDIUM TERM EXPENDITURE FRAMEWORK 2016-2019

Department of Agriculture and Rural Development
Medium Term Expenditure Framework 2016-2019

Ward	No	Programme & Project Description	Project Stage	MTFF 2016/2017	2016/17	2017/18	2018/19
25							
25		Mandalay Piggyery	Planning				R4 822 203.00
25		Sugar-cane	Implementation		R800 000.00	R800 000.00	R 8000 000.00
25		Barro Framemers Co-operative	Planning				R 650 000.00

Department of Transport

Medium Term Expenditure Framework 2016-2019

Ward	No	Programme & Project Description	Project Stage	MTFF 2016/2017	2016/17	2017/18	2018/19
KDM	P103-2		Reseal 16/17	R 6096 090.00			
KDM	P103-2		Reseal 16/17	R1298 000.00			
KDM	P25-3		Reseal 16/17	R15 000 000.00			

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KDM	P25-3	Reseal 16/17	R837 972.00		
KDM	P107	Reseal 16/17	R20 000 000.00		
KDM	P107	Rehabilitation 16/17	R1000 000.00		
KDM		New Bridge	R15 000 000.00		
KDM		New Bridge	R1 500 000.00		

Department of Health

Medium Term Expenditure Framework 2016-2019

Ward	No	Programme & Project Description	Project Stage	MTEF 2016/2017	2017/18	2018/19
19		Stanger Hospital - New Labour and Neo-Natal Ward	Implementation	R7 358 000.00		
10		Grootville Clinic - Replacement of clinic phase 9	Design	R27 346.00		
19		KwaDukuza Clinic- installation of 10 kl high level section water tanker	Pre-hand over	R463 000.00		
19		Stanger Hospital replacement of theatre/ ward chillers	Design	0		
6		Ballito clinic installation of 10kl high level section water tank	Pre-handover	R463 000.00		
5		Nandi clinic installation of 10 kl high level section water tank	Pre-handover	R463 000.00		

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22	Shakaskrasal clinic Installation of 10 kl high level section water tank	Pre-handover	R463 000.00		
10	Groutville clinic installation of 10 kl high level section water tank	Pre-handover	R463 000.00		

Sempcorp

Medium Term Expenditure Framework 2016-2019

Ward No	Programme & Project Description	Project Stage	MTEF 2016/2017	2017/18	2018/19
Salt Rock (22)	Installation of Odour Control Units x 1 - Lagoon Drive, Salt Rock	Implementation	200		
Various areas (6,22,11)	Raise and replace meters	Implementation	165		
Nkobongo & Shayamoya (8,23)	Removal and Installation of Standpipes	Implementation	185		
Various areas (4,7,8,20,23)	Raise and replace Sewer Manholes	Implementation	165		
Salt Rock (22)	Hewitt Road Water Main 600m of 160mm, Salt Rock	Planning	400		
Sheffield Beach	New Electrical Panel - Village SPS, Sheffield Beach	Planning	120		
Various areas	Raise and replace meters	Pre-Planning		260	

[illegible]

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160mm Upvc Water main, Elizabeth & Madeleine Roads, Ballito					
Salt Rock (22)	Upgrade of 700m of 110mm Upvc Water main, Murray Crescent, Salt Rock	Pre-Planning			525
Tafeni (22)	Access Road & Security and Fencing, Tafeni	Pre-Planning			250
Frasers WWTW (6)	Replace supernatant Pump, Frasers WWTW	Pre-Planning			25
Frasers WWTW (6)	Extension of Workshop, Frasers WWTW	Pre-Planning			300

Department of Education

Medium Term Expenditure Framework 2016-2019

Ward	No	Programme & Project Description	Project Stage	MTEF 2016/2017	2016/17	2017/18	2018/19
2		Madundube	Design				
4		R A Padayachee (Storm Damage)	Implementation				
16		Stanger P S (Storm Damage)	Implementation		2 000	2 000	
11		Inkosi Albert Luthuli S (Upgrades & Additions)	Implementation		10 000		
20		Tinley Manor(Phase 2) Upgrades & Additions	Planning		5 000	20 000	10 000
4		Chief Ngonyama S S (Technical High Schools)	Completed		1 000		
8		Shakaskraal Agricultural School (Agricultural	Design		1 000	10 000	10 000

Ward No	Programme & Project	Project Stage	MTF 2016/2017
27	Maphumulo Bulk Water Scheme Phase 4	Planning	2016/17
	Purpose: To supply the communities in Maphumulo, Magumbi and Ashville from the Inyushane River with an assured supply of water.		2017/18
	Expected Outcomes: New well, abstraction		2018/19

Medium Term Expenditure Framework 2016-2019

Umgenti Water

16	Stanger S S (Repairs & Renovations)	Design	2 000	10 000	10 000
13	Glenhills S S (Repairs & Repairs)	Design	1 000	5 000	5 000
1	Nyakana P S (Maintenance)	Design	1 000		
2	Darnall P S (Maintenance)	Design	1 000		
18	Tshelenkosi S S (Maintenance)	Design	1 000		
14	Lloyds P S (Maintenance)	Design	1 000		
11	Enkukwini P S (Fencing)	Implementation	33		
15	Imbewenhle P (Fencing)	Design	154,00		
	Schools				

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					works, pump-station on the Hlimbitwe River and pipeline to convey raw water into the Mvutshane Dam to meet the future 12 M/day demand.	
27	Maphumulo Bulk Water Scheme Phase 4	Planning			<p>Purpose: To supply the communities in Maphumulo, Magumbi and Ashville from the Mvutshane River with an assured supply of water.</p> <p>Expected Outcomes: New weir, abstraction works, pump-station on the Hlimbitwe River and pipeline to convey raw water into the Mvutshane Dam to meet the future 12 M/day demand.</p>	
2,3,14,16,19,26	Lower Thukela Bulk Water Supply Scheme	Implementation			<p>Purpose: Augment the bulk water supply on the North Coast to meet the anticipated growth in demands.</p> <p>Expected Outcomes: Weir and 110M/day abstraction works on the uThukela River, de-</p>	

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	siting works; WTP initially sized to 55Ml/day and ultimate pump stations and bulk supply pipelines to deliver water from the WTP to Mandeni Municipality and KwaDukuza Municipality.				
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SECTION G: ANNUAL OPERATIONAL PLAN

KwaDukuza Municipality's Service Delivery and Budget Implementation Plan (SDBIP) details the implementation of service delivery and the budget for the financial year in compliance with the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003). The SDBIP serves as a contract between the administration, the Council and the community, expressing the objectives set by the Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP facilitates the process of holding management accountable for their performance. It provides the basis for measuring performance in the delivery of services. The scorecard from which the SDBIP emanates has been approved by the Council. Both the scorecard and the SDBIP report on all the key performance indicators:

- Municipal Transformation and Institutional Development
- Service Delivery and Infrastructure Development
- Local Economic Development
- Good Governance and Public Participation
- Financial Management Viability

The process towards the development of the 2015/2016 SDBIP will take into consideration the legislative requirement as per the MFMA. Further to the credibility of the information the following processes will be undertaken:

- Engagement with the departments on the current performance and proposed adjustments.
- Development of systems descriptions for each SDBIP indicator as per Auditor general's requirements.
- Signed off by the Heads of Departments for the adjusted budgets against the indicators and systems descriptions.
- Presentation of the SDBIP to the Municipal Manager for input before its final adoption.

SECTION H: ORGANIZATIONAL & INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

The KDM's PMS will cover the framework and a performance management model. A framework describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different players. A performance management model is used to choose which dimensions of performance will be measured. The model that a municipality develops will influence which indicators it decides to use, and how it will group these indicators together into areas of performance (efficiency, customer satisfaction, effectiveness and economy). In developing its PMS, the KDM will ensure that the system:

- Complies with all the requirements set out in the Municipal Systems Act;
- Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
- Clarifies the processes of implementing the system within the framework of the IDP process;
- Determines the frequency of reporting and the lines of accountability for performance;
- Relates to the municipality's employee performance management processes;
- Provides for the procedure by which the system is linked to the municipality's Integrated Development Planning processes; and
- Provides for adoption of the PMS

According to Regulation 8 of the Municipal Performance Regulations of 2001, the performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan. Efforts will be made to comply with this regulation on an annual basis whereby the indicators and targets will be reviewed and this will coincide with the review and adoption of a reviewed system. It will be important to establish structures that will facilitate the meaningful participation of all stakeholders in the development of the system, consistent with the legislation. The KDM municipality will utilise the same and/or linked IDP structures for stakeholder participation.

The KDM may amongst others also utilise the following structures:

- Ward committees

The KDM will review its key performance indicators annually as part of the performance review process or whenever it amends its IDP in terms of Section 34 of the Municipal System Act (2000). Performance targets are the planned level of performance or the milestones the KDM sets for itself for each indicator identified. The KDM will identify baseline measurements, which is the measurement of the chosen indicator at the start of the period.

In setting targets, it is important to know how the KDM is performing at the current moment. This step also tests whether the chosen indicator is in fact measurable and whether there are any problems. The targets need to be realistic, measurable and be commensurate with available resources and capacity. The public needs to be consulted on their needs and expectations in setting the targets.

Politicians need to give clear direction as to the importance of the targets and how these will address the public needs. Targets should be informed by the development needs of communities and the development priorities of the KDM. Line managers need to advise as to what a realistic and achievable commitment for a target is, given the available resources and capacity. Managers will need to advise on seasonal changes and other externalities that should be considered in the process of target setting. There must be clear timelines related to the set targets.

The KDM will, for each financial year set performance targets for each of the key performance indicators set by it. A performance target must be practical and realistic. It must measure the efficiency, effectiveness, quality and impact of the performance of the KDM. It must also identify administrative components, structures, bodies or persons for whom a targets have been set. It is important that the set targets are commensurate with available resources and the KDM's capacity. Finally targets need to be consistent with the KDM's development priorities and objectives set out in its IDP.

The policy framework sets out options of measuring the KDM as an organisation on a corporate level, assessment and reviews of personnel on contracts (section 57 appointees) and makes reference to other (non-contractual) KDM staff members in order to cascade PMS to all other levels of the organisation. The KDM adopted a Scorecard approach to monitor both the performance of employees and the organisation. The Scorecard is based on the prescribed Key Performance Areas by the Department of Local Government, Good Governance and Public Participation; Local Economic Development; Institutional Transformation and Development; Financial Management and Viability and Basic Service Delivery and Infrastructure Development. Monitoring and evaluation will be done

SECTION I: ANNEXURES

Below is a list of sector plans.

	NAME OF SECTOR PLAN	DEPARTMENT RESPONSIBLE	LAST REVIEW DATE	NEXT REVIEW DATE	CHALLENGE/STATUS
1.	Human Resource Policy Manual	HR	2015	December 2016	Currently under review
2.	Workplace Skills Plan	HR	June 2015	June 2016	Under implementation
3.	Employment Equity Plan	HR	October 2015	December 2016	Under implementation
4.	Staff Retention, succession, and career management Plan	HR	February 2015	February 2016	Under implementation
5.	Performance Plan	HR	June 2015	June 2016	Under implementation
6.	Staff Recruitment and Selection Policy	HR	February 2015	March 2016	Under implementation
7.	Staff Structure	HR	February 2015	December 2015	Under implementation
8.	Roads and storm water master plan	Civil	2014	2014/15	Place on budget for 2013/2014 to do Phase 3
9.	Storm water Policy	Civil	New	2014/2015	Under implementation
10.	Disaster Risk Management Sector Plan				Under implementation
11.	Low Emission Development Strategic Framework				Under implementation
12.	Green Building Guidelines				Under implementation
13.	Biodiversity Open Space Management Plan				Under implementation
14.	Climate Change Response Strategy				
15.	Building Asset maintenance plan	Civil	New	2014/2015	To be structured with other Department
16.	Roads and storm water maintenance plan	Civil	New	2014/2015	To structure and approve in 2013/2014
17.	Electricity Master Plan	Electricity	March 2011	2014/2015	Limited Budget to perform comprehensive needs analysis and review of priorities – Attempt to secure additional funding Adjustments Budget January 2013
323	Draft Kwadukwa Municipality 2016-2017 Integrated Development Plan]				
18.	Policy: Operation and Use of Municipal Vehicles	Fleet Services	November 2009	2014/2015	Under Utilisation – Lack of buy in from fleet user directorates.

FINANCE DEPARTMENT

File Ref. Final Budget 2016/2017

C 701

Council: 26 May 2016

SUBJECT: APPROVAL OF THE FINAL BUDGET- 2016/2017 MTRF**PURPOSE:**

To table, for formal consideration by Council the Final Medium Term Revenue and Expenditure Framework (MTRF) for 2016/2017 financial year as well as the indicative budget for 2017/2018 and 2018/2019 financial years in terms of Chapter 4, Section 24 of the Municipal Finance Management Act, no 56 of 2003.

ATTACHMENTS:

- Final Budget for the 2016/2017 MTRF

MAIN SUBMISSION:

In terms of Chapter 4, section 24 of the Municipal Finance Management Act, no 56 of 2003, the Operational and Capital Budgets for the 2016/2017 financial year and the subsequent two years are presented for the Council's consideration.

The submitted item will address the following salient matters contained within the attached budget submission:

- Operational Budget
- Capital Budget
- Status Of Compliance With The New Budget Reporting Formats
- Amendments To The Integrated Development Plan
- Rating Structures
- Tariff Of Charges
- Proposed Tariff Structure
- Budget Related Policies
- Measurable Performance Indicators For Revenue
- Consultations
- Budget Recommendations/Resolutions

OPERATIONAL BUDGET

The detailed operational budget as outlined in the attached budget pack (Table A1) contains the budget information for the upcoming budget year under consideration, i.e. 2016/2017 as well as the subsequent two financial years and the prior year.

- The following is a high level summary of the total revenue and expenditure over the MTRF :-

Description	2016/2017	2017/2018	2018/2019
Total operating revenue	(1 362 421)	(1 462 717)	(1 572 800)
Total operating expenditure	1 338 193	1 418 996	1 512 966
Surplus/ deficit for the year	(24 228)	(43 721)	(59 834)

- Consistent with the 2015/2016 budget, the 2016/2017 budget focuses on the priorities of Council as outlined in the IDP. These are listed below:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Safe and Secure Environment
- Spatial Analysis
- Environmental Management

The following pertinent issues are highlighted for Councils information:

- In order to negate the effects of various pricing increases that the average consumer is faced with the municipality has maintained a 6 % rebate on rates randages.
- The main driver in terms of service charges is the increases in the electricity tariffs. Electricity sales have increased by 7.64%. This percentage increase is informed by a consultation paper issued by NERSA.
- Employment costs appear to be increasing at a faster rate than the growth rate of the municipal revenue base. There is a danger to the long term financial sustainability of the municipality should this trend continue. Notwithstanding employments cost total 24% of total expenditure, this ratio is diluted by bulk purchases.
- Depreciation and asset impairment is expected to increase significantly as a result of the completion and commissioning of various completed capital projects.

- Detailed operational budget is highlighted in the following tables as included in the budget pack:-
 - A1 Budget Summary
 - A2 Budgeted financial performance: standard classifications
 - A2a Budgeted financial performance: standard classifications
 - A3 Budgeted financial performance: by municipal vote
 - A3a Budgeted financial performance: by municipal vote

CAPITAL BUDGET

- The detailed final capital budget amounts to R 303 157 807 for the 2016/2017 financial year.
- The table below is indicative of the capital spending per Directorate as per the different funding sources:-

SUMMARY CAPITAL BUDGET 2016 / 2017

DEPARTMENT	TOTAL BUDGET	GRANTS	COUNCIL	LOANS
MUNICIPAL MANAGER	11,020,000	11,000,000	20,000	-
CORPORATE SERVICES	5,370,000	-	5,370,000	-
CORPORATE GOVERNANCE	600,000	-	600,000	-
FINANCE	1,660,000	-	1,660,000	-
EDP	6,890,000	385,000	6,505,000	-
MUNICIPAL SERVICES	34,072,500	8,800,000	23,086,500	2,186,000
TECHNICAL SERVICES	243,545,307	48,063,500	195,481,807	-
CIVIL	186,957,927	38,063,500	148,894,427	-
ELECTRICITY	56,587,380	10,000,000	46,587,380	-
TOTAL	303,157,807	68,248,500	232,723,307	2,186,000

- The capital budget relates to projects for which the Council will be securing the available funding sources either through borrowings, internal capital funds, grants or other sources:
 - Capital expenditure funded by means of a grant can only commence if written or gazetted allocations are in place.

- Detailed capital expenditure is highlighted in the following tables as included in the budget pack:-

○ A1	Budget summary
○ A5	Budgeted capital expenditure
○ A5a	Budgeted financial position
○ A6	Budgeted financial position
○ A9	Asset management

STATUS OF COMPLIANCE WITH THE NEW BUDGET REPORTING FORMATS

The Budget and Treasury Office has complied with the new budget formats. Where Provincial Treasury has provided recommendations and enhancements to the relevant formats, these have been incorporated as far as practicable.

AMENDMENTS TO THE INTEGRATED DEVELOPMENT PLAN

The amendments to the IDP have been considered in the final completion of the 2016/2017 MTRF. A series of alignment sessions were undertaken between the various user departments, IDP, PMS and Budget Offices. A separate item dealing specifically with the IDP has been tabled for consideration.

RATING STRUCTURES

• Determination Of Rates

In terms of the Draft Rates Policy 2016/2017, the Municipality may levy different rates for different categories of properties. The rating structure for 2016/2017 financial year is proposed as follows:

- 0.635 cents in the Rand on the market value in respect of residential properties (including bed and breakfast establishments consisting of three bedrooms or less), and property categories not stated hereunder.
- 0.696 cents in the Rand on the market value in respect of residential properties used for commercial purposes (including bed and breakfast establishments comprising more than 3 bedrooms, apartment and villa establishments, and guesthouses of up to six rooms).
- 0.159 cents in the Rand on the market value in respect of agricultural properties and public service infrastructure properties.
- 1.965 cents in the Rand on the market value in respect of industrial, business and commercial properties, vacant properties, public benefit organisations, properties owned

- by an organ of state and used for public service purposes, and properties used for worship.
- 1.770 cents in the Rand on the market value in respect of guesthouses of more than 6 rooms.
- An additional 0.36 cents in the Rand on the market value in respect of commercial properties situated within the Special Rating Area as designated by Council
- That, in respect of improved residential properties, in addition to the statutory reduction of R15 000, a further reduction of R85 000 is approved for property values exceeding R130 000. Persons owning improved residential property with a rateable value of R130 000 and below will be not be liable for the payment of rates.
- That improved residential property with a rateable value of R130 000 and below, owned by registered indigent beneficiaries be exempt from the calculation of rates.
- That the first R50 000 of all vacant residential properties owned by registered indigent beneficiaries be exempt from the calculation of rates
- The first 30% of all Public Service Infrastructure (PSI) properties be exempt from the calculation of rates.

Exemptions, Rebates And Reductions

In terms of qualifying criteria set out in the rates policy of the Council, the 2016/2017 rates be subject to the following exemptions, rebates and reductions:

- A general rebate, applicable in the 2016/2017 financial year only, in respect of all categories of properties, excluding properties in receipt of developers' rebates: 6%

The following shall apply after deduction of the general rebate:

- Pensioners and Disability Grantees rebates:

Applicants under the age of 65 years - 25%

Applicants between 65 and 75 years - 30%

Applicants older than 75 years - 35%

- Agricultural properties: 50%

- Rebate: child headed households: 100%

- Excluded Services Rebate: 15%

- Places of worship: 100%

- Public benefit organizations: 100%

- Land reform beneficiaries: 100%

- State land: 100%

- Developers incentives (commercial), general rebate not applicable:

Year 1	-	100% rebate
Year 2	-	90% rebate
Year 3	-	80% rebate
Year 4	-	70% rebate
Year 5	-	60% rebate
From year 6 onwards	-	No incentive

- Developers incentives (residential), applicable in respect of existing service level agreements only, general rebate not applicable:

Year 1	-	100% rebate
Year 2	-	100% rebate
Year 3	-	90% rebate
Year 4	-	80% rebate
Year 5	-	70% rebate
Year 6	-	60% rebate
Year 7	-	50% rebate
From year 8 onwards	-	No incentive

- 40% rebate in respect of the following PSI properties (phasing out of rates):

- national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer, and
- railway lines forming part of a national railway system.

- Date Of Operation Of Determination Of Rates

This determination comes into operation on 01 July 2016.

• Final Date For Payment Of Rates:

- Annual payment of rates: The final date for the payment of annual rates be fixed at 30 September 2016. Interest and administration charges will be raised in terms of Council's Credit Control Policy and Tariff of Charges. Any capital rates outstanding as at 30 November 2016 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- Monthly rates payments: The rates may be paid in 11 (eleven) equal instalments with the first instalment payable on or before the last municipal working day of August 2016. Thereafter each monthly instalment must be paid on or before the last working day of each month and provided that interest will accrue at 15.5% per annum in terms of Council's Credit Control Policy and Tariff of Charges if an instalment is not paid by the last working day of the month. Any capital rates outstanding as at 30 June 2017 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- Council will by special arrangement with individual property owners agree that rates be paid annually. Application to pay rates on an annual basis must be completed by 15 July 2016.

TARIFF OF CHARGES

Attached as Section 1.5 is the detailed tariff of charges.

PROPOSED TARIFF STRUCTURE

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2016:

- Refuse Removal charges - various as per tariff of charge with a maximum of 6%
- Electricity charges - various as per tariff of charge, subject to approval by NERSA
- Miscellaneous tariffs - various (see tariff of charges document)

BUDGET RELATED POLICIES

The following Budgeted Related Policies have been considered by Council in the development of the MTRF.

- Rates Policy

- Credit Control & Debt Collection Policy

- Indigent Policy

- Tariff Policy

- Investment & Cash Management Policy

- Borrowing Framework Policy and Guidelines

- Supply Chain Management Policy

- Virement Policy

- Budget Policy

- Funding and Reserves Policy

- Assets Management Policy

- Long Term Financial Planning Policy

- Infrastructure, Investments & Capital Projects

THAT Council notes that separate items have been tabled to consider the approval of the above policies.

MEASURABLE PERFORMANCE INDICATORS FOR REVENUE

The following measurable performance indicators for revenue collections be set:

- Electricity incomeminimum collection rate of 90%
- Property rates incomeminimum collection rate of 90%
- Refuse income minimum collection rate of 90%

CONSULTATIONS

His Worship, The Honourable Mayor, Cllr NR Mthembu
 All Directores in the form of individual meetings
 Chief Financial Officer
 The Municipal Manager
 Provincial Treasury
 Budget Steering Committee
 Councillors

RECOMMENDATIONS

1. FINAL ESTIMATES OF INCOME & EXPENDITURE

THAT in terms of Section 24(1) and (2) of the Municipal Finance Management Act, 56 of 2003:-
 (i) The Final Annual Budget of the Municipality for the Financial year 2016/2017; and
 Indicative allocations for the two projected outer years 2017/2018 and 2018/2019; and
 the multi – year and single year capital appropriations are approved as set-out in
 Sections 1.4, 2.11 and 2.13 attached hereto including but not limited to :

- Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) – (Table A2)
- Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) – (Table A3)
- Budgeted Financial Performance (revenue by Source and Expenditure by Type) – (Table A4)
- Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (Table A5).

(ii)

That the draft financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:

Budgeted Financial Position (Table A6)
 Budgeted Cash Flows (Table A7)
 Asset Management (Table A9)

Basic Service Delivery Measurements (Table A10)

2. DETERMINATION OF RATES

In terms of the Draft Rates Policy 2016/2017, the Municipality may levy different rates for different categories of properties. The rating structure for 2016/2017 financial year is approved as follows:

- 0.635 cents in the Rand on the market value in respect of residential properties (including bed and breakfast establishments consisting of three bedrooms or less), and property categories not stated hereunder.
- 0.696 cents in the Rand on the market value in respect of residential properties used for commercial purposes (including bed and breakfast establishments comprising more than 3 bedrooms, apartment and villa establishments, and guesthouses of up to six rooms).
- 0.159 cents in the Rand on the market value in respect of agricultural properties and public service infrastructure properties.
- 1.965 cents in the Rand on the market value in respect of industrial, business and commercial properties, vacant properties, public benefit organisations, properties owned by an organ of state and used for public service purposes, and properties used for worship.
- 1.770 cents in the Rand on the market value in respect of guesthouses of more than 6 rooms.
- An additional 0.36 cents in the Rand on the market value in respect of commercial properties situated within the Special Rating Area as designated by Council
- That, in respect of improved residential properties, in addition to the statutory reduction of R15 000, a further reduction of R85 000 is approved for property values exceeding R130 000. Persons owning improved residential property with a rateable value of R130 000 and below will be not be liable for the payment of rates.
- That improved residential property with a rateable value of R130 000 and below, owned by registered indigent beneficiaries be exempt from the calculation of rates.
- That the first R50 000 of all vacant residential properties owned by registered indigent beneficiaries be exempt from the calculation of rates
- The first 30% of all Public Service Infrastructure (PSI) properties be exempt from the calculation of rates.

3. EXEMPTIONS, REBATES AND REDUCTIONS

That in terms of qualifying criteria set out in the rates policy of the Council, the 2016/2017 rates be subject to the following exemptions, rebates and reductions:

- A general rebate, applicable in the 2016/2017 financial year only, in respect of all categories of properties, excluding properties in receipt of developers' rebates: 6%

The following shall apply after deduction of the general rebate:

- Pensioners and Disability Grantees rebates:

Applicants under the age of 65 years - 25%
 Applicants between 65 and 75 years - 30%
 Applicants older than 75 years - 35%

- Agricultural properties: 50%

- Rebate: child headed households: 100%

- Excluded Services Rebate: 15%

- Places of worship: 100%

- Public benefit organizations: 100%

- Land reform beneficiaries: 100%

- State land: 100%

- Developers incentives (commercial), general rebate not applicable:

100% rebate	-	Year 1
90% rebate	-	Year 2
80% rebate	-	Year 3
70% rebate	-	Year 4
60% rebate	-	Year 5
No incentive	-	From year 6 onwards

Developers incentives (residential), applicable in respect of existing service level agreements only, general rebate not applicable:

100% rebate	-	Year 1
100% rebate	-	Year 2
90% rebate	-	Year 3
80% rebate	-	Year 4
70% rebate	-	Year 5
60% rebate	-	Year 6
50% rebate	-	Year 7
No incentive	-	From year 8 onwards

- 40% rebate in respect of the following PSI properties (phasing out of rates):

- national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer, and
- railway lines forming part of a national railway system.

4. DATE OF OPERATION OF DETERMINATION OF RATES

That this determination comes into operation on 01 July 2016.

5. FINAL DATE FOR PAYMENT OF RATES:

- Annual payment of rates: That the final date for the payment of annual rates be fixed at 30 September 2016. Interest and administration charges will be raised in terms of Council's Credit Control Policy and Tariff of Charges. Any capital rates outstanding as at 30 November 2016 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- Monthly rates payments: That rates may be paid in 11 (eleven) equal instalments with the first instalment payable on or before the last municipal working day of August 2016. Thereafter each monthly instalment must be paid on or before the last working day of each month and provided that interest will accrue at 15.5% per annum in terms of Council's Credit Control Policy and Tariff of Charges if an instalment is not paid by the last working day of the month. Any capital rates outstanding as at 30 June 2017 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- Council will by special arrangement with individual property owners agree that rates be paid annually. Application to pay rates on an annual basis must be completed by 15 July 2016.

6. TARIFF OF CHARGES

- That the Council approve and adopt the amendments to its Tariff of Charges (noting that the electricity tariffs are pending approval by NERSA) as depicted on the schedules annexed hereto, and that these tariffs come into operation on 1 July 2016.
- That Council note that all tariffs listed in the Tariff of Charges will be subject to the payment of value added tax, except for fines, refundable deposits, and interest charges, and where specifically indicated as inclusive of value added tax.

PROPOSED TARIFF STRUCTURE

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2016:

- Refuse Removal charges - various as per tariff of charge with a maximum of 6%
- Electricity charges - various as per tariff of charge, pending approval by NERSA.
- Miscellaneous tariffs - various (see tariff of charges document)

7. BUDGET RELATED POLICIES

THAT Council notes that the following budget related policies we reviewed as part the the compilation of the 2016/17 MTRF.

- Rates Policy
- Credit Control & Debt Collection Policy
- Indigent Policy
- Tariff Policy
- Investment & Cash Management Policy
- Borrowing Framework Policy and Guidelines
- Supply Chain Management Policy
- Virement Policy
- Budget Policy
- Funding and Reserves Policy

- Assets Management Policy

- Long Term Financial Planning Policy

- Infrastructure, Investments & Capital Projects

THAT Council notes that separate items have been tabled to consider the approval of the above policies.

8. MEASURABLE PERFORMANCE INDICATORS FOR REVENUE

THAT the following measurable performance indicators for revenue collections be set:

- Electricity income minimum collection rate of 90%
- Property rates income minimum collection rate of 90%
- Refuse income minimum collection rate of 90%

9. THAT it be noted that property rates are deemed zero rated in the treatment of Value Added Tax (VAT).

10. THAT it be noted that in respect of Capital Expenditure Estimates:

in those instances where information has been provided in terms of Section 19(2) (b) of the Municipal Finance Management Act No. 56 of 2003, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget.

Where information in terms of Section 19(2)(b) of the MFMA is not provided, specific project approval is to be sought from Council during the course of the year prior to any spending taking place on these projects during the year. It be noted that should any expenditure be incurred on any of these projects without compliance with Section 19(2) of the MFMA such expenditure may be deemed as irregular.

11. THAT any savings on the capital budget is to be retained and not transferred to any other vote.

12. THAT for projects which have multiple sources of funding, any savings on the project attributable to the outcome of the competitive bidding processes of the council shall be apportioned in the following order of priority:

- Reduction in council contribution towards the project.
- Reduction of the loan funding portion of the project.

13. **THAT** in terms of the priority in the execution of the capital budget, priority should first be given to all projects that have been rolled over of which are primarily grant funded. Upon completion of all rolled over projects can the departments commence with their new projects. The cash flow estimates of the municipality should be noted in this regard.
14. In terms of Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003, it be noted that new projects for the 2016/2017 financial year can only proceed once full business and operating plans indicating efficient, effective and economical use of all assets to be acquired have been tabled and approved before council.
15. **THAT** in pursuance of the above and in terms of section 62(1) (c) of the Municipal Finance Management Act No. 56 of 2003, the Municipal Manager as well as all Executive Directors are to ensure that they develop and maintain efficient, effective and transparent systems of financial, risk management and internal control in terms of projects within their directorates that have been approved for execution.
16. **THAT** it be noted that should any roll-overs of grant funding persist into the 2016/2017 financial year, the respective Executive Director ensure the necessary detail motivations are completed for approval by National Treasury, Provincial Treasury or the relevant transferring officer. This must be done within the timeframes and formats specified by the relevant regulating authority.
In the event that the National/Provincial Treasury refuses the roll-over of such funds or even a portion of the funds (Section 21 of DORA), then council will have to fund these projects out of internal funding and this will result in the reprioritisation of the approved capital budget for the 2016/2017 to 2017/2018 financial years in order to avoid cash flow and financial problems for the KwaDukuza Municipality. It is further noted that this motivation should be provided to the Finance directorate by 30 June 2016.
17. **THAT** in compliance with relevant sections of the Municipal Finance Management Act, Municipal Property Rates Act and the Municipal Systems Act, the budgets, rate and tariff determinations is published in the local press.

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Contact Person:

N.J. MDAKANE (Municipal Manager)
S. M. Rajcoomar (Chief Financial Officer)

Authors:

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R. Singh (Director: Revenue)
D. Pillay (Director: Expenditure)
P. Murugan (Acting Manager: AFS)
S. Cundasamy (Budget Analysts)
S. Ngidi (Budget Analysts)
S. Cele (Budget Intern)

COMMENTS / APPROVED


MUNICIPAL MANAGER
DATE: 2016.05.20

KWADUKUZA MUNICIPALITY
2016/2017
FINAL MID-TERM REVENUE
AND EXPENDITURE
FRAMEWORK

ABBREVIATIONS & ACRONYMS

AFS	Annual Financial Statements
AMC	Asset Management Committee
BSC	Budget Steering Committee
BTO	Budget & Treasury Office (Finance Department)
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DORB	Division of Revenue Bill
COGTA	Co-operative Governance & Traditional Affairs
EXCO	Executive Committee
FMG	Financial Management Grant
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HIV/AIDS	Human Immune Deficiency Virus / Acquired Immune Deficiency Syndrome
IBTs	Inclining Block Tariff Structures
IDP	Integrated Development Plan
IT	Information Technology
KDM	KwaDukuza Municipality
kWh	Kilo Watt Hours
MANCO	Management Committee
MFMA	Municipal Finance Management Act 2003 (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager (Accounting Officer)
MPPCs	Multi-Purpose Community Centres
MPRA	Municipal Property Rates Act 2004 (Act No. 6 of 2004)
MSA	Municipal Systems Act 2000 (Act No. 32 of 2000)
MSIG	Municipal Systems Improvement Grant
MTRF	Medium Term Revenue & Expenditure Forecast
MV	Market Value
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnerships
PSI	Public Service Infrastructure
PT	Provincial Treasury
SALGA	South African Local Government Association
SDBIP	Service Delivery & Budget Implementation Plan
VAT	Value-Added Tax

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1.1 MAYORS REPORT

INSERT MAYORS REPORT

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1.2 RESOLUTIONS

The following resolutions approving the 2016/2017 – 2018/2019 MTRF are submitted to Council for consideration and adjusted where necessary:

1. FINAL ESTIMATES OF INCOME & EXPENDITURE

THAT in terms of Section 24(1) and (2) of the Municipal Finance Management Act, 56 of 2003:-

- (ii) The Final Annual Budget of the Municipality for the Financial year 2016/2017; and
indicative allocations for the two projected outer years 2017/2018 and 2018/2019; and
the multi – year and single year capital appropriations are approved as set-out in
Sections 1.4, 2.11 and 2.13 attached hereto including but not limited to :

- o Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) – (Table A2)

- o Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) – (Table A3)

- o Budgeted Financial Performance (revenue by Source and Expenditure by Type) – (Table A4)

- o Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (Table A5).

(iii) That the draft financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:

Budgeted Financial Position (Table A6)
Budgeted Cash Flows (Table A7)
Asset Management (Table A9)
Basic Service Delivery Measurements (Table A10)

2. DETERMINATION OF RATES

In terms of the Draft Rates Policy 2016/2017, the Municipality may levy different rates for different categories of properties. The rating structure for 2016/2017 financial year is approved as follows:

- o 0.635 cents in the Rand on the market value in respect of residential properties (including bed and breakfast establishments consisting of three bedrooms or less), and property categories not stated hereunder.

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- 0.696 cents in the Rand on the market value in respect of residential properties used for commercial purposes (including bed and breakfast establishments comprising more than 3 bedrooms, apartment and villa establishments, and guesthouses of up to six rooms).
- 0.159 cents in the Rand on the market value in respect of agricultural properties and public service infrastructure properties.
- 1.965 cents in the Rand on the market value in respect of industrial, business and commercial properties, vacant properties, public benefit organisations, properties owned by an organ of state and used for public service purposes, and properties used for worship.
- 1.770 cents in the Rand on the market value in respect of guesthouses of more than 6 rooms.
- An additional 0.36 cents in the Rand on the market value in respect of commercial properties situated within the Special Rating Area as designated by Council
- That, in respect of improved residential properties, in addition to the statutory reduction of R15 000, a further reduction of R85 000 is approved for property values exceeding R130 000. Persons owning improved residential property with a rateable value of R130 000 and below will be not be liable for the payment of rates.
- That improved residential property with a rateable value of R130 000 and below, owned by registered indigent beneficiaries be exempt from the calculation of rates.
- That the first R50 000 of all vacant residential properties owned by registered indigent beneficiaries be exempt from the calculation of rates
- The first 30% of all Public Service Infrastructure (PSI) properties be exempt from the calculation of rates.

3. EXEMPTIONS, REBATES AND REDUCTIONS

That in terms of qualifying criteria set out in the rates policy of the Council, the 2016/2017 rates be subject to the following exemptions, rebates and reductions:

- A general rebate, applicable in the 2016/2017 financial year only, in respect of all categories of properties, excluding properties in receipt of developers' rebates: 6%

The following shall apply after deduction of the general rebate:

- Pensioners and Disability Grantees rebates:

Applicants under the age of 65 years - 25%
Applicants between 65 and 75 years - 30%
Applicants older than 75 years - 35%

- Agricultural properties: 50%

- Rebate: child headed households: 100%

- Excluded Services Rebate: 15%

- Places of worship: 100%

- Public benefit organizations: 100%

- Land reform beneficiaries: 100%

- State land: 100%

- Developers incentives (commercial), general rebate not applicable:

Year 1	-	100% rebate
Year 2	-	90% rebate
Year 3	-	80% rebate
Year 4	-	70% rebate
Year 5	-	60% rebate
Year 6	-	No incentive
From year 6 onwards	-	

- Developers incentives (residential), applicable in respect of existing service level agreements only, general rebate not applicable:

Year 1	-	100% rebate
Year 2	-	100% rebate
Year 3	-	90% rebate
Year 4	-	80% rebate
Year 5	-	70% rebate
Year 6	-	60% rebate
Year 7	-	50% rebate
From year 8 onwards	-	No incentive

- 40% rebate in respect of the following PSI properties (phasing out of rates):

- national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer, and
- railway lines forming part of a national railway system.

4. DATE OF OPERATION OF DETERMINATION OF RATES

That this determination comes into operation on 01 July 2016.

5. FINAL DATE FOR PAYMENT OF RATES:

- Annual payment of rates: That the final date for the payment of annual rates be fixed at 30 September 2016. Interest and administration charges will be raised in terms of Council's Credit Control Policy and Tariff of Charges. Any capital rates outstanding as at 30 November 2016 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- Monthly rates payments: That rates may be paid in 11 (eleven) equal instalments with the first instalment payable on or before the last municipal working day of August 2016. Thereafter each monthly instalment must be paid on or before the last working day of each month and provided that interest will accrue at 15.5% per annum in terms of Council's Credit Control Policy and Tariff of Charges if an instalment is not paid by the last working day of the month. Any capital rates outstanding as at 30 June 2017 will be subject to an administration charge of 10% as stipulated in Council's Credit Control Policy and Tariff of Charges.

- Council will by special arrangement with individual property owners agree that rates be paid annually. Application to pay rates on an annual basis must be completed by 15 July 2016.

6. TARIFF OF CHARGES

- That the Council approve and adopt the amendments to its Tariff of Charges (noting that the electricity tariffs are pending approval by NERSA) as depicted on the schedules annexed hereto, and that these tariffs come into operation on 1 July 2016.

- That Council note that all tariffs listed in the Tariff of Charges will be subject to the payment of value added tax, except for fines, refundable deposits, and interest charges, and where specifically indicated as inclusive of value added tax.

PROPOSED TARIFF STRUCTURE

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2016:

- Refuse Removal charges - various as per tariff of charge with a maximum of 6%

- Electricity charges - various as per tariff of charge, pending approval by NERSA.
- Miscellaneous tariffs - various (see tariff of charges document)

7. BUDGET RELATED POLICIES

THAT Council notes that the following budget related policies we reviewed as part the the compilation of the 2016/17 MTRF.

- Rates Policy
- Credit Control & Debt Collection Policy
- Indigent Policy
- Tariff Policy
- Investment & Cash Management Policy
- Borrowing Framework Policy and Guidelines
- Supply Chain Management Policy
- Virement Policy
- Budget Policy
- Funding and Reserves Policy
- Assets Management Policy
- Long Term Financial Planning Policy
- Infrastructure, Investments & Capital Projects

THAT Council notes that separate items have been tabled to consider the approval of the above policies.

8. MEASURABLE PERFORMANCE INDICATORS FOR REVENUE

THAT the following measurable performance indicators for revenue collections be set:

- Electricity income minimum collection rate of 90%
- Property rates income minimum collection rate of 90%

○ Refuse income minimum collection rate of 90%

9. THAT it be noted that property rates are deemed zero rated in the treatment of Value Added Tax (VAT).

10. THAT it be noted that in respect of Capital Expenditure Estimates:

in those instances where information has been provided in terms of Section 19(2) (b) of the Municipal Finance Management Act No. 56 of 2003, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget.

Where information in terms of Section 19(2)(b) of the MFMA is not provided, specific project approval is to be sought from Council during the course of the year prior to any spending taking place on these projects during the year. It be noted that should any expenditure be incurred on any of these projects without compliance with Section 19(2) of the MFMA such expenditure may be deemed as irregular.

11. THAT any savings on the capital budget is to be retained and not transferred to any other vote.

12. THAT for projects which have multiple sources of funding, any savings on the project attributable to the outcome of the competitive bidding processes of the council shall be apportioned in the following order of priority:

- Reduction in council contribution towards the project.
- Reduction of the loan funding portion of the project.

13. THAT in terms of the priority in the execution of the capital budget, priority should first be given to all projects that have been rolled over of which are primarily grant funded. Upon completion of all rolled over projects can the departments commence with their new projects. The cash flow estimates of the municipality should be noted in this regard.

14. In terms of Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003, it be noted that new projects for the 2016/2017 financial year can only proceed once full business and operating plans indicating efficient, effective and economical use of all assets to be acquired have been tabled and approved before council.

15. THAT in pursuance of the above and in terms of section 62(1) (c) of the Municipal Finance Management Act No. 56 of 2003, the Municipal Manager as well as all Executive Directors are to ensure that they develop and maintain efficient, effective and

transparent systems of financial, risk management and internal control in terms of projects within their directorates that have been approved for execution.

16. THAT it be noted that should any roll-overs of grant funding persist into the 2016/2017 financial year, the respective Executive Director ensure the necessary detail motivations are completed for approval by National Treasury, Provincial Treasury or the relevant transferring officer. This must be done within the timeframes and formats specified by the relevant regulating authority.
- In the event that the National/Provincial Treasury refuses the roll-over of such funds or even a portion of the funds (Section 21 of DORA), then council will have to fund these projects out of internal funding and this will result in the reprioritisation of the approved capital budget for the 2016/2017 to 2017/2018 financial years in order to avoid cash flow and financial problems for the KwaDukuza Municipality. It is further noted that this motivation should be provided to the Finance directorate by 30 June 2016.

17. THAT in compliance with relevant sections of the Municipal Finance Management Act, Municipal Property Rates Act and the Municipal Systems Act, the budgets, rate and tariff determinations is published in the local press.

1.3 EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

BACKGROUND

The MTRF outlines KDM's revenue and expenditure plans for the next 3 years, specifically highlighting sources of funds and how the funds will be utilised in order to attain service delivery goals.

The MM, the CFO, the BSC and the BTO assist the Mayor in developing and implementing the budget process. KDM has no municipal entities.

• KDM's MTRF complies with all legal requirements:

1. The Constitution 1996 (Act No. 108 of 1996)
2. The Local Government: Transition Act 1993 (Act No. 209 of 1993)
3. The MSA
4. The MFMA
5. The Municipal Structures Act 1998 (Act No. 117 of 1998)
6. Municipal Budget & Reporting Regulations issued by NT
7. MFMA Circulars published by NT
8. Division of Revenue Act

• The MTRF is influenced by the following elements:

1. Producing a balanced, credible and funded budget taking into account realistically anticipated revenues
2. Delivering quality services on the ground
3. Cost increases
4. Tariff increases
5. Debt recovery
6. Asset management
7. Borrowing levels

FINAL MTRF HIGHLIGHTS

The MTRF 2016/2017 – 2018/2019 is covered comprehensively in Tables A1 to A10 and Supporting Tables SA1 to SA37.

Consolidated Overview of the 2016/2017 MTRF

Description	2015/2016	2016/2017	2017/2018	2018/2019
Total operating revenue	(1 273 091)	(1 362 421)	(1 462 717)	(1 572 800)
Total operating expenditure	1 273 059	1 338 193	1 418 996	1 512 966
Surplus/ deficit for the year	(32)	(24 228)	(43 721)	(59 834)
Total capital expenditure	359 370	303 158	198 891	190 392

Total operating revenue is expected to grow by 7% for the 2016/2017 financial year when compared to the 2015/2016 Budget. For the two outer years, operational revenue will increase by R100 296 and R110 083 respectively.

Operational expenditure has grown to R1 338 193 in the 2016/2017 budget. For the 2017/2018 and 2018/2019 year, operational expenditure will increase by an estimated R80 803 and R93 970 for each of the respective outer years of the MTRF.

The surpluses of R24.2m for 2016/2017, R43.7 2017/2018 and 59.8m for 2018/2019 financial year will be used to fund capital expenditure and to further ensure cash backing of the reserves and funds.

The total capital quantum is R303 157 807 for 2016/2017.

FINAL OPERATING BUDGET:**1. OPERATING REVENUE FRAMEWORK**

The projected revenue is determined, inter alia, by setting tariffs which are not only affordable to the consumers, but also deemed to be fair and realistic.

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The following table is a high-level summary of the 2016/2017 final Revenue (Classified per main revenue source).

KZN292 KwaDukuza - Table A4 Budgeted Financial Performance (Revenue and expenditure)

Description	Ref	R thousand				Revenue By Source					
		Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year	Budget Year	Budget Year
		2012/13	2013/14	2014/15	Current Year 2015/16	2016/17	2016/17	+1 2017/18	+2 2018/19		
Property rates	2	237,479	255,740	274,954	305,871	346,237	367,707	12,832	13,640	391,603	
Property rates - penalties & collection charges		10,744	9,666	8,830	12,106	5,050	12,106				
Service charges - electricity revenue	2	467,668	527,050	566,804	649,849	648,591	680,624	733,844	792,735		
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	2	42,645	47,634	54,849	58,563	68,077	72,161	-	-	76,708	
Service charges - other		-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		1,055	1,065	1,065	1,074	1,133	1,201	34,451	1,276		
Interest earned - external investments		21,099	21,700	30,491	24,385	32,501	34,451	6,017	6,396		
Interest earned - outstanding debtors		2,729	4,283	5,673	4,850	5,400	5,676	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	
Fines		5,887	25,973	21,075	31,287	33,949	35,985	205	38,252		
Licences and permits		8,571	8,768	88	180	183	193	218	218		
Agency services		-	-	8,535	9,706	9,706	10,294	11,599	11,599		
Transfers recognised - operational		95,652	100,142	119,744	119,022	123,283	130,488	144,904	159,411		
Other revenue		75,140	52,514	62,569	46,313	59,648	41,146	42,500	44,341		
Gains on disposal of PPE	2	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		968,669	1,054,621	1,154,731	1,263,206	1,273,091	1,362,421	1,462,717	1,572,800		

Significant components of the OPERATING REVENUE budget are as follows:

• Capital Transfers

In keeping with the prescribed formats issued by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statements. The inclusion of capital transfers would distort the calculation of the operating surplus/deficit.

• Property Rates

1. Additional newly registered property rated from date of transfer.
2. Building completions.
3. Objection outcomes e.g. a few commercial properties increase in valuation.
4. Phasing out of developers' incentives.

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- **Service Charges (Electricity and Refuse)**
Revenue generated from service charges for 2016/2017 financial year amounts to R748 Million or 55 per cent generated from service charges revenue. Council has embarked on various processes which will enforce better revenue collections on service charges viz.

1. Revenue Enhancement Project
2. Development of an Energy Losses Task Team which will assist in the reduction of energy losses.
3. A contractor has been appointed for the disconnection/reconnection of electricity
4. Replacement of maximum demand meters

• Transfers Recognised

The following table reflects the transfer recognised – operational revenue:-

KZN292 Kwadukuzi - Supporting Table SA18 Transfers and grant receipts

Description	Ref	RECEIPTS:												R thousand
		Operating Transfers and Grants												
National Government: Local Government Equitable Share Municipal Systems Improvement Finance Management EPWP Incentive MKG Funded PMU Costs MKG Transfer To Memebe Provincial Government: Health subsidy Sport and Recreation Provisionalisation of Libraries Thusong Centre Museum Subsidy Community Library Service Grant Community Participation in IDP MPCG Housing Accreditation District Municipality: Herembe Shared Services Other grant providers: [insert description]	1, 2	Audited	Outcome	Audited	Outcome	Audited	Outcome	Audited	Outcome	Audited	Outcome	Audited	Outcome	
		2012/13	93,699	103,082	96,956	111,119	105,352	105,352	117,219	122,119	136,487	132,042	146,463	150,541
		2013/14	77,550	71,677	934	450	1,400	1,418	2,499	6,100	8,369	8,417	8,870	8,870
		2014/15	800	880	934	450	1,400	1,418	2,499	6,100	8,369	8,417	8,870	8,870
		2015/16	800	880	934	450	1,400	1,418	2,499	6,100	8,369	8,417	8,870	8,870
		Budget	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
		Budget Year	1,285	1,800	2,645	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793

The following table is the summary of other revenue for 2016/2017

OTHER REVENUE	
TRAINING REFUND	-1,154,682.00
INTEREST ON HAA	-689,000.00
GRANT REVENUE - ILEMBE SHARED SER.	-636,934.37
HUMAN SETTLEMENT BRIDGE FINANCE REFUND	-513,215.96
TOWN PLANNING	-402,881.29
CYBER CADETS	-350,000.00
M A P GRANT	-301,000.00
HIRE FEES	-284,628.45
ADVERTISING - ANNUAL FEES	-240,683.60
MISCELLANEOUS REVENUE	-181,080.55
TOWN PLANNING - PDA APPLICATIONS	-177,029.00
ELEC CONN PART COSTED	-168,540.00
ROADS MASTER PLAN	-165,555.03
ADVERTISING	-136,739.65
COUNCIL ASSETS	-122,138.77
SALE OF MAPS & PLANS	-116,501.20
PARKING DISC-DAILY	-106,685.82
SERVICE CONNECTION STANDARD	-106,221.00
PHOTO COPIES	-106,038.05
TRANSFER COSTS : DOHS	-105,500.00
CALL OUT FEES	-74,200.00
CONTRIB. IN LIEU OF PARKING	-67,416.00
FEES ENCROACHMENT	-65,774.43
ADVERTISING - APPLICATION FEES	-58,618.00
VALUATION APPEAL FEES	-58,025.00
DEBT COLLECTION	-47,700.00
SUNDRIES	-46,864.00
SALE OF REDUNDANT STOCK	-44,859.20
HIRE OF GROUNDS	-38,575.53
DISCOUNT ON PURCHASES	-33,708.00
LAND SALES	-31,650.00
ADVERTISING	-29,775.00
INTEREST ON INSTALMENTS	-26,375.00
VERGE DEPOSIT	-23,499.00
PARKING DISC-ANNUALY	-16,774.50
POST & TEL RECOVERED	-10,550.00
S78 REVIEWS	-8,703.75
GIS	-6,709.80
FEES - BUSH CLEARING	-5,618.00
SUNDRY INCOME	-5,581.00
G.I.S INCOME	-4,734.27
PENALTY ON RD CHEQUES	-4,732.65
LOST & DAMAGE BOOKS	-2,790.48
SALE OF VALUATION ROLLS	-2,110.00
FEES: MPRA S53 REASONS	-1,590.00
RECOVERY OF INSURANCE	-1,582.50
FEES CALL OUT	-1,500.00
SWIMMING POOL	-1,446.58
MEMBERSHIP CARDS	-1,116.19
FEES: SEARCH	-1,060.00
FEES: METER TESTING	-1,000.00
FEES: LIBRARY SUBS-DISTRICT MEM	-786.52
PARKING DISC-WEEKLY	-527.50
TOTAL	-6,791,007.64

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2. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2016/2017 MTRF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the backlog eradication plan

The following table is indicative of the 2016/2017 final operating expenditure by standard classification item:-

KZN292 KwaDukuza - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ret	2016/17 Medium Term Revenue & Expenditure Framework				
		Audited 2012/13	Audited 2013/14	Audited 2014/15	Original Budget	Adjusted Budget
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
		200,715	228,028	251,404	306,084	294,494
	2	15,130	16,608	17,612	20,189	20,129
	3	2,183	16,090	17,079	11,372	35,372
	2	42,159	50,715	59,651	71,082	73,912
		8,135	11,600	19,808	26,033	26,033
	2	361,430	398,247	427,861	496,944	490,000
	8	32,356	37,312	43,794	44,342	47,364
		22,555	26,560	25,745	31,118	30,422
	4, 5	119,514	151,350	181,467	213,098	208,751
Expenditure By Type						
Employee related costs		370,847	24,334	37,343	82,691	22,764
Remuneration of councillors		37,343	24,334	37,343	82,691	22,764
Debt impairment		37,343	24,334	37,343	82,691	22,764
Depreciation & asset impairment		87,073	22,354	22,354	615,317	48,119
Finance charges		615,317	48,119	48,119	33,520	47,427
Other materials		47,427	33,520	33,520	44,747	42,396
Contracted services		44,747	42,396	42,396	30,297	30,297
Transfers and grants		30,297	42,396	42,396	209,399	209,399
Other expenditure		209,399	42,396	42,396	214,200	214,200
Loss on disposal of PPE		214,200	42,396	42,396	556	556
Total Expenditure		1,512,966	1,418,996	1,512,966	1,338,193	1,273,059

Significant components of the OPERATING BUDGET are as follows:

- Bulk Purchases amount to approx. R528 514. This figure takes into consideration the Eskom increase in tariffs. Further assumptions are noted in Section 2.5
- Employee related costs and council remuneration account for 26.1% (R344 845) of the budget (R1 338 193).
- Other expenditure amounts to R209 399.

The following table is the breakdown of other expenditure costs over the MTRF:-

KZN292 Kwadukuza - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	R thousand			Other Expenditure By Type
		2016/17 Medium Term Revenue & Expenditure Framework	Budget Year	Budget Year +1	Budget Year +2
		2016/17	2017/18	2018/19	
Collection costs		4,621	4,908	5,197	
Contributions to other provisions		18,391	13,544	13,839	
Consultant fees					
Audit fees		6,076	6,453	6,833	
General expenses		95,499	99,226	104,821	
Dump charges		10,936	11,614	12,299	
Replacement of faulty meters		2,450	2,602	2,755	
Indigent support - parks and gardens department		14,388	15,280	16,182	
Security services		10,935	11,612	12,298	
Shark control expenditure		3,500	3,717	3,936	
Call out to consumer complaints		10,741	11,406	12,079	
Life saving Africa		103	110	116	
Legal costs		3,214	3,413	3,615	
Marketing		980	1,041	1,102	
Bank charges		3,466	3,661	3,898	
Insurance general		2,597	2,758	2,920	
Refuse bags/contract		2,507	2,663	2,820	
Valuations & valuation rolls		1,239	1,316	1,394	
Processing of fines		81	86	91	
Subsidies - selling schemes		321	340	360	
Ward Committee members		4,308	4,575	4,845	
Mr Price Pro expenditure		2,940	3,122	3,306	
Advertising		2,009	2,133	2,259	
Sundry Oils & Fuels		8,099	8,601	9,109	
Fair Value Adjustment of Investment properties					
Expenditure Related to Health Services					
Total Other Expenditure	1	208,399	214,200	226,075	

General expenses are made up of the following major expenditure:-

DETAILS OF GENERAL EXPENDITURE			
	2016/2017	2017/2018	2018/2019
PROFESSIONAL FEES	6,090,853	6,395,395	6,734,351
RETIREMENT RECOGNITION	5,782,000	6,071,100	6,403,158
REVENUE PROTECTION SERVICES	5,635,000	5,916,750	6,230,338
HOUSING ACCREDITATION EXPENDIT	4,780,440	5,019,462	5,285,493
SUBSCRIPTIONS	3,487,057	3,661,409	3,862,699
STREET LIGHTING CONSUMPTION	3,401,825	3,571,916	3,761,228
PROTECTIVE CLOTHING	3,285,251	3,449,513	3,632,338
PRINTING AND STATIONERY	3,169,098	3,327,553	3,504,325
SOFTWARE SUPPORT/LICENSES	2,558,708	2,686,644	2,829,036
TRAINING COSTS OF STAFF	2,159,494	2,267,469	2,387,614
WATER AND SANITATION	2,060,946	2,163,993	2,279,914

EPWP	2,058,000	2,160,900	2,268,945
TELEPHONE CALLS/RENTALS	2,051,695	2,154,279	2,268,456
INDIGENT SUPPORT	2,009,090	2,129,636	2,263,803
MSCOA IMPLEMENTATION	1,952,000	300,000	
RENT OF PROPERTY/OFFICES/HOUSE	1,932,833	2,029,475	2,137,037
TRAVELLING & SUBSISTANCE	1,906,002	2,001,302	2,108,084
PUBLIC AFFAIRS	1,813,000	1,903,650	2,004,543
NON STANDARD SERVICE CONNEX.	1,808,336	1,898,753	1,999,387
LEASE-OFFICE MACHINES & EQUIP.	1,414,591	1,485,320	1,564,111
POSTAGE	1,097,902	1,152,798	1,214,177
MICROSOFT ENTERPRISE AGREEMENT	1,095,084	1,149,838	1,210,779
FOOD FOR WASTE	1,033,900	1,085,595	1,143,132

Further points to Note:-

• Provision of Free Basic Services

The municipality has a responsibility in ensuring that indigent households are provided with the basic municipal services by subsidizing the cost of services payable by indigent consumers. Indigent Support is financed from the Equitable Share grant funding.

The Indigent policy (further summarised under section 2.4) details the indigent processes undertaken by KDM.

• Capital Expenditure of the MTRCF

The MFMA Local Government Capital Asset Management Guideline 2008 calls for the establishment of an Asset Management Committee (AMC). The AMC oversees asset management project outcomes; set asset management timetables and approve all asset management progress reports. This committee meets on a regular basis.

The Capital Budget focuses on the IDP objectives and KDM's infrastructure needs. Due to limited resources, KDM has to prioritise its spending.

The major aspects of the capital budget are listed below :

- Increased focus on Civil and Electrical Infrastructure.
- Increased focus on cemeteries development.

Asset Management requires Council to allocate 40% of the capital budget to renewal of existing assets. Since KwaDukuza Municipality is still growing, with most of rural wards still needs new infrastructure like roads, sport fields, community halls and creches. It is because of these reasons that KwaDukuza Municipality only has 24% of the Capital Budget on renewal of existing assets, while 76% is allocated for new assets. We believe in the long run 40% of capital budget will be achieved once the challenge of building new infrastructure to needy communities is

addressed in line with IDP priorities. In addition, the construction of new infrastructure will reduce the usage of existing assets thereby extending their useful lives and reducing repairs and maintenance.

- Finance Charges

The following table is indicative of the amortisation schedules of the loans taken up by the municipality:-

DBSA R43M LOAN

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
30/09/2016	1,099,205.87	1,041,522.64	965	600727	2,083,045.28	2,083,045.28
31/03/2017	1,038,539.32	1,041,522.64	400	271000	2,137,745.19	1,919,675.87
30/09/2017	989,285.29	1,041,522.64			4,220,790.47	4,002,721.15
31/03/2018	930,390.58	1,041,522.64				3,784,569.66
30/09/2019	881,070.53	1,041,522.64				
30/03/2019	820,453.85	1,041,522.64				
	<u>5,758,945.44</u>	<u>6,249,135.84</u>				

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DBSA 10580/204 ANNUITY

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
30/09/2016	7,012.77	36,598.05	965	600717	75,424.29	41,135.91
31/03/2017	4,784.58	38,826.24	056	271000	11,797.35	2,474.92
30/09/2017	2,474.92	41,135.91			87,221.64	43,610.83
31/03/2018	-	-				-
30/09/2019	-	-				
30/03/2019	-	-				
	<u>14,272.27</u>	<u>116,560.20</u>				

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DBSA 11165/102 ANNUITY

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
30/09/2016	122,561.75	478,422.43	965	600718	995,087.14	557,000.26
31/03/2017	84,319.47	516,664.71	215	271000	206,881.22	43,983.95
30/09/2017	43,983.95	557,000.26				-
31/03/2018	-	-			1,201,968.36	600,984.21
30/09/2019	-	-				-
30/03/2019	-	-				-
	<u>250,865.17</u>	<u>1,552,087.40</u>				

DBSA 9879/102 ANNUITY

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
30/09/2016	5,076.68	84,380.17	965	600722	84,380.17	-
31/03/2017	-	-	400	271000	5,076.68	-
30/09/2017	-	-				
31/03/2018	-	-				
30/09/2019	-	-				
30/03/2019	-	-				
	<u>5,076.68</u>	<u>84,380.17</u>			<u>89,456.85</u>	

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DBSA LOAN
61006918

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
12/31/2016	7,012,638.01	1,826,713.97	965	600735	3,780,374.52	4,196,275.33
6/30/2017	6,885,691.43	1,953,660.55	400	271000	13,898,329.44	13,072,354.39
12/31/2017	6,790,906.24	2,048,445.74			17,678,703.96	17,678,703.96
6/30/2018	6,691,522.39	2,147,829.59				
12/31/2018	6,695,898.90	2,143,453.08				
6/30/2019	6,376,455.49	2,462,896.49				
	<u>40,453,112.46</u>	<u>12,582,999.42</u>				

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DBSA LOAN
61006919

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.207)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
12/31/2016	4,019,297.32	1,046,982.12	965	600736	2,166,723.74	2,405,097.51
6/30/2017	3,946,537.82	1,119,741.62	170	271000	7,965,835.14	7,727,461.37
12/31/2017	3,892,211.64	1,174,067.80				7,492,427.09
6/30/2018	3,835,249.73	1,231,029.71				
12/31/2018	3,837,758.13	1,228,521.31				
6/30/2019	3,654,668.96	1,411,610.48				
	<u>23,185,723.60</u>	<u>7,211,953.04</u>				
				<u>10,132,558.88</u>	<u>10,132,558.88</u>	<u>10,132,558.88</u>

ABSA LOAN 3.1M

	Interest	Installment		2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)	
30/11/2016	89,557.89	168,654.73	965	600732	346,965.35	385,815.14	429,014.96
31/05/2017	79,902.00	178,310.62	046	271000	169,459.89	130,610.10	87,410.28
30/11/2017	70,596.47	187,616.15			516,425.24	516,425.24	516,425.24
30/05/2018	60,013.63	198,198.99					
30/11/2018	49,511.93	208,700.69					
30/05/2019	37,898.35	220,314.27					
	387,480.27	1,161,795.45					

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ABSA LOAN 21.5M

	Interest	Installment			2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
30/12/2016	200,313.42	2,460,252.32	032	271000	66,747.60	-	-
30/06/2017	101,669.03	2,558,896.71	035	271000	5,606.80	-	-
30/11/2017	-	-	041	271000	10,512.76	-	-
30/05/2018	-	-	156	271000	4,205.10	-	-
30/11/2018	-	-	170	271000	75,205.53	-	-
30/05/2019	-	-	210	271000	49,059.53	-	-
			255	271000	23,828.92	-	-
			400	271000	66,816.21	-	-
	301,982.45	5,019,149.03					

5,321,131.48

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Summary of
Loan

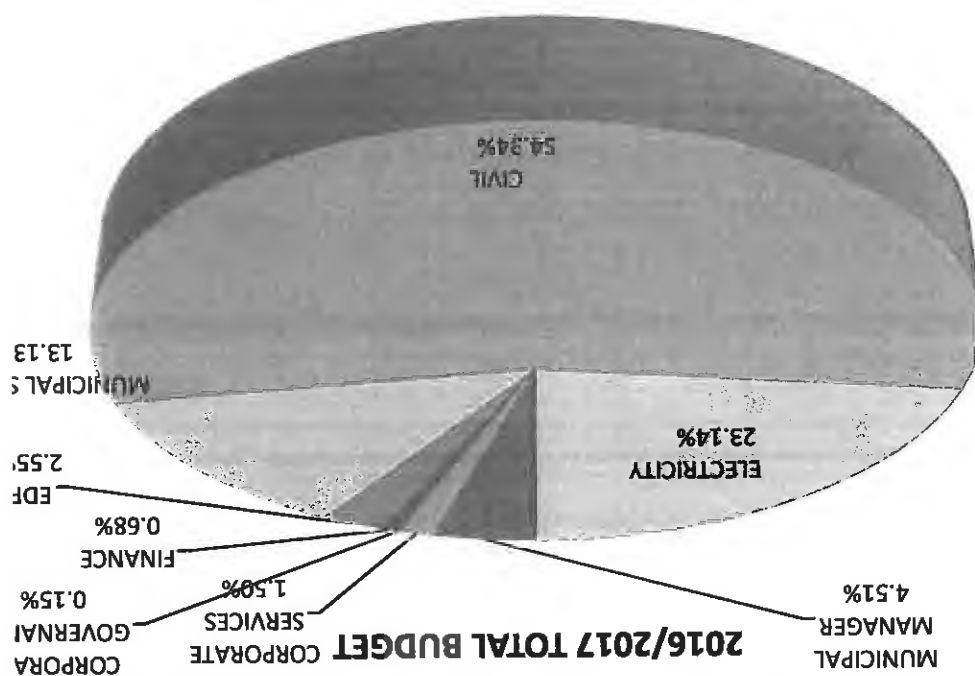
	2016/2017 (01.07.2016 - 30.06.2017)	2017/2018 (01.07.2017 - 30.06.2018)	2018/2019 (01.07.2018 - 30.06.2019)
Capital Redemption	14,551,149.52	9,668,369.43	9,758,541.60
Finance Charges	24,697,107.36	23,306,634.84	22,353,716.14
	<u>39,248,256.88</u>	<u>32,975,004.27</u>	<u>32,112,257.74</u>

The following is indicative of the Final Capital Expenditure per source of funding for 2016/2017 :-

SUMMARY CAPITAL BUDGET 2016 / 2017				
DEPARTMENT	TOTAL BUDGET	GRANTS	COUNCIL	LOANS
MUNICIPAL MANAGER	R 11 020 000	R 11 000 000	R 20 000	-
CORPORATE SERVICES	R 5 370 000	-	R 5 370 000	-
CORPORATE GOVERNANCE	R 600 000	-	R 600 000	-
FINANCE	R 1 660 000	-	R 1 660 000	-
EDP	R 6 890 000	R 385 000	R 6 505 000	-
MUNICIPAL SERVICES	R 34 072 500	R 8 800 000	R 23 806 500	R 2 186 000
TECHNICAL SERVICES	R 243 545 500	R 48 063 500	R 195 481 807	-
CIVIL	R 186 957 927	R 38 063 500	R 148 894 427	-
ELECTRICITY	R 56 587 380	R 10 000 000	R 46 587 380	-
TOTAL	R 303 157 807	R 68 248 500	R 232 723 307	R 2 186 000

This year marks the fourth democratic local government elections. The elections will bring about a change in the municipal demarcations, thus leading to a revised local government allocations after the said elections.

Below is a graphical representation of the 2016/2017 final capital expenditure per department:-



KEY ASSUMPTIONS

• DORA

All National and Provincial Grant allocations have been taken into account.

• Inflation

The changes in tariffs have been considered in accordance with the Rates and Tariff policy of the municipality and comply with Section 74 of the Municipal systems Act.

It is proposed that Council's tariff of charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2016:

- Property Rates increase of 6%
- Refuse Removal charges – various as per tariff of charges with a maximum of 6%
- Electricity charges – various as per tariff of charges
- (Bulk purchases increased by 7.86% and electricity sales increased on average by 7.64%.
- Both these percentage increases are informed by the consultation paper issued by NERSA)
- Miscellaneous tariffs – various (see tariff of charges document)

Pronouncements as received from SALGA (inflation +1%) are used for calculating salary/wage increases for all employees, including Section 57 employees.

Refuse removal tariffs have been increased on average 6 % in order to ensure the sustainability and viability of the service. Preceding years has indicated that the budgeting was geared towards the operating requirements of the section, thereby not allowing sufficient funds to ensure that the capital assets and maintained, replaced and extended. This increase will allow the basic services to community to continue without risk of assets not working as intended or meeting demand.

For specific budget assumptions used in the MTRFF, please refer to the Section 2.5

MUNICIPAL ENTITIES

The municipality does not have any municipal entities. Therefore, any associated documentation has not been tabled in this regard.

PAST PERFORMANCE HIGHLIGHTS

KDM received unqualified audit reports for the previous ten consecutive years.

ALIGNMENT WITH GOVERNMENT PRIORITIES

The following priorities have been incorporated into the MTRFF 2016/2017 to 2018/2019:

- National Priorities

The President's 2016 State of the Nation Address indicated that local government has an obligation to:

1. Job Creation
2. Better Education
3. Improved Health Services
4. Rural Development & Land Reform
5. Spending of public funds wisely and reducing of wasteful expenditure that forms part of cost cutting measures
6. Monitoring of the Back to Basics Local Government Implementation Plan.

The National Budget Review 2016 state that local government must:

1. Enforce financial discipline; on budget spending and sound cash management
2. Ensure enhanced service delivery and communities receive value for money
3. Embark on drought awareness initiatives
4. Provide decent and sustainable jobs (especially in Health and Education)
5. Ensure further economic growth
6. Develop infrastructure

- Provincial Priorities

The MTRF and IDP are aligned with the KZN Provincial Growth & Development Strategy. This strategy involves:

1. Strengthening and building government to facilitate sustainable development, public participation in decision making, implement performance driven transformation and co-operative governance
2. Improve and expand basic service delivery for a better quality of life for all
3. Implement economic programmes to raise investments, increase exports and capitalise on provincial resources, strengths and synergies
4. Create programmes to increase employment opportunities, access to finance, human capacity and skills development, that also addresses the challenges of the second economy
5. Reduce poverty and increase vulnerable groups' access to social security nets and services
6. Comprehensively address the spread of HIV/AIDS pandemic and the associated economic and social impacts
7. To manage, preserve and enhance the natural environment and comprehensively address an environmental management system for sustainable development.

• District Priorities

The MTRF and IDP have taken the strategic goals of the Ilembe IDP into consideration, which include:

1. Promoting investment and development

2. Introducing incentives that attract development initiatives

3. Establishing and promoting PPPs

4. Preserving and protecting the natural environment

5. Promoting cultural, community based tourism and integrated tourism development

6. Establishing co-operatives that maximise economic opportunities in the agricultural

sector

The above key assumptions are further explained under Section 2.5

DEBT RECOVERY AND CREDIT CONTROL

The municipality budgets for the provision for bad debt in accordance with the prescripts of GRAP. This is to impair the asset so as to reflect the collection probability. This effectively ensures the debtors as indicated on the balance sheet are not overstated. Bad Debt is however only written off when all prospective debt recovery mechanisms are exhausted and possibility of recovery is remote.

There may therefore be a timing difference between the impairment of the debt (provision for bad debt) and the actual "write-off" of this debt.

Any bad debts written off are done so directly against the gross value of the debt and not the impairment provision recognised. This reduction of debtors has a resultant effect of reducing the subsequent impairment calculated. The net effect of this movement is recognised in the Statement of Financial Performance.

DEBT COLLECTION RATES

The municipality will undertake to review of the applicability and accuracy of the collection percentages within the forthcoming budget consideration period. Should there be any amendments to these percentages, same will be adjusted in the final budget documents. Council has embarked on various processes which will enforce better revenue collections on service charges viz.

1. Revenue Enhancement Project
2. Development of an Energy Losses Task Team which will assist in the reduction of energy losses.
3. A contractor has been appointed for the disconnection/reconnection of electricity
4. Replacement of maximum demand meters

DEBTORS:

The municipality has applied a 90% collection rate. It should however be noted that the municipality has implemented various mechanisms to enhance the revenue collection processes. Amongst these are the revenue enhancement project, the formation of an energy loss task team between the finance department and the electricity department, the appointment of a contractor to perform hard disconnections and reconstructions and the replacement of maximum demand meters.

COST CUTTING MECHANISMS

The municipality has in the prior year implemented cost cutting and financial austerity measures. These principles are aligned to Department of Co-Operative Governance's Back to Basics programme. This was implemented in the prior year and continues to be embedded in the budget principles. In addition the municipality has adopted the recent Circular 82, Cost Containment Measures.

CASH FLOW MANAGEMENT

One of the significant funding sources of capital expenditure in the prior years was internal reserves. Whilst this allowed accelerated service delivery, the internal cash reserves did not have the ability to recover.

Recognising that this may in the long term impact the financial sustainability of KDM, Council has proactively adopted the funding a reserves policy which stipulates the minimum funding requirements which Council must strive to achieve in the medium to long term.

Given that numerous service delivery imperatives remain, a phased in approach will be implemented to ensure a balance is achieved between service delivery and financial prudence.

This process has commenced in the current year with a five year progressive plan to ensure capital funding is achieved via operating surpluses so as to decrease our reliance on reserves.

The effects of these are fully explained in the analysis of the budget funding.

MUNICIPAL BUDGET FUNDING

The municipality deems its budget to be fully funded:

Below is a detailed analysis of A 8 as included in the budget pack together with the basis for the allocation of the funding requirement:

KZN292 KwaDukuza - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ret	2016/17 Medium Term Revenue & Expenditure Framework			R thousand	Cash and investments available	Cash/cash equivalents at the year end	Cash and investments available:	Application of cash and investments	1	2	3	4	5	6	7	Total Application of cash and investments:	Surplus(shortfall)
		Budget Year	Budget Year +1 2017/18	Budget Year +2 2018/19														
							254 364	272 490	261 386	254 364							162 338	110 152
							254 364	272 490	261 386								170 004	91 382
																		78 555

Notes

1. The municipality does not foresee any unspent conditional transfers as at year end.
2. There is no unspent borrowing which is anticipated to be returned.
3. All statutory requirements, e.g. PAYE are anticipated to be paid prior to year end.
4. This reflects the net differences between the debtors and creditors required at year end.

5. The municipality does not foresee any other provisions to be accounted for.

6. There are no long term investments which the municipality holds.

7. In accordance with the funding and reserves policy the municipality has begun to progressively implement the funding requirements. The R 72 Mill in the 2016/17 year consists of the following components.

- a. An estimated Housing Operating Account balance of R 8,728 Mill
- b. The balance of the current liabilities (excl. trade payables) of R 42 Mill
- c. The funding and reserves policy requires 75% of non-current provisions to be cash backed. If this is applied to the 2016/17 financial year an amount of R 109,740 (R 146,321 X 75%) will be required to be cash backed. The municipality however has agreed to progressively implement this policy and will cash back these reserves by 20% in the upcoming year. This will amount to R 21,948 Mill (R 109,740 Mill X 20%) in the upcoming budget year. The component to be cash backed will vary year on year based on the value of the non-current provisions and progressively increasing the backing by 20%.

1.4 FINAL BUDGET TABLES

FINAL BUDGET TABLES

In terms of the Municipal Budget and Reporting Regulations, the 10 primary budget tables, as attached, reflects the 2016/2017 budget and MTRF to be supported by Council and made public for comment.

Budget Table	Synopsis of table
Table A1	High level summary of the municipality's budget, including operating, capital, financial position, cash flow and MFMA funding compliance.
Table A2	Indicative of the budgeted financial performance with regards to revenue and expenditure per standard classification.
Table A3	Indicative of the budgeted financial performance with regards to revenue and expenditure and operating surplus or deficit per municipal vote.
Table A4	Indicative of the budgeted financial performance with regards to revenue by source and expenditure by type.
Table A5	Indicative of the municipality's capital projects in relation to the capital expenditure by municipal vote, capital expenditure by classification, and funding sources. Also included is information pertaining to capital transfers from National and Provincial government. KDM has adopted a multi-year capital budget appropriation.
Table A6	Indicative of the financial position of the municipality.
Table A7	Indicative of the cash and cash equivalent of the municipality over the draft MTRF.
Table A8	Indicative of the Cash Backed Reserves/ Accumulated Surplus. Represents an evaluation of the funding levels by forecasting cash and investments at year end and reconciling the available funding to the liabilities in existence. This is in line with MFMA legislation.
Table A9	Represents the municipal capital allocations to the funding of new assets and renewal of existing assets. This also includes spending on repairs and maintenance.
Table A10	Indicative of the service delivery levels, including backlogs, for each of the main services.

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KZN292 KwaDukuza - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework					
		Audited	Audited	Outcome	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year	Budget Year +2	
Revenue - Standard	1	422 029	402 681	456 173	423 733	410 834	410 834	410 834	481 095	514 556	543 752	543 752	
		147 265	111 466	136 110	79 775	71 465	71 465	71 465	86 364	95 614	96 627	96 627	
Executive and council		274 486	290 988	319 141	342 890	336 794	336 794	336 794	394 525	418 545	445 015	445 015	
Budget and treasury office		256	822	1 068	1 068	2 575	2 575	2 575	186	197	210	210	
Corporate services		10 720	44 021	44 870	69 541	72 680	72 680	72 680	70 152	79 578	75 182	75 182	
Community and public safety		2 832	4 849	4 982	5 738	5 238	5 238	5 238	14 369	20 637	12 776	12 776	
Sport and recreation		597	10 690	15 060	13 329	13 419	13 419	13 419	12 998	13 779	14 647	14 647	
Public safety		6 488	26 216	22 045	32 738	33 249	33 249	33 249	36 088	38 232	40 641	40 641	
Housing		692	2 265	2 772	17 711	20 749	20 749	20 749	6 683	6 706	7 082	7 082	
Health		29 966	32 182	64 856	81 086	81 520	81 520	81 520	61 691	60 169	72 656	72 656	
Planning and development		5 119	10 450	14 955	20 882	12 488	12 488	12 488	10 678	11 165	11 598	11 598	
Road transport		24 847	21 732	49 901	60 204	69 032	69 032	69 032	51 013	49 003	61 059	61 059	
Environmental protection		545 396	622 271	786 664	786 312	786 312	786 312	786 312	817 731	880 783	944 276	944 276	
Electricity		502 351	561 196	605 779	711 045	710 693	710 693	710 693	734 196	792 236	850 151	850 151	
Water		-	-	-	-	-	-	-	-	-	-	-	
Waste management		43 045	61 075	72 244	75 619	75 619	75 619	75 619	83 535	88 547	94 125	94 125	
Other		-	-	-	-	-	-	-	-	-	-	-	
Expenditure - Standard	2	1 008 110	1 101 155	1 243 921	1 361 023	1 351 346	1 351 346	1 351 346	1 430 669	1 535 085	1 635 866	1 635 866	
		107 337	112 457	130 753	180 160	185 062	185 062	185 062	193 866	198 670	210 423	210 423	
Government and administration		47 371	54 969	64 088	86 816	97 028	97 028	97 028	103 303	104 210	110 343	110 343	
Executive and council		30 262	25 338	29 678	49 969	48 364	48 364	48 364	52 027	53 329	56 329	56 329	
Corporate services		29 705	32 150	36 987	43 375	39 670	39 670	39 670	38 536	41 096	43 751	43 751	
Community and public safety		142 645	171 331	192 141	230 216	229 606	229 606	229 606	237 753	252 176	266 853	266 853	
Community and social services		15 968	18 217	21 102	27 202	28 316	28 316	28 316	29 137	31 056	33 038	33 038	
Sport and recreation		54 047	59 151	61 813	71 272	69 492	69 492	69 492	70 603	75 219	79 862	79 862	
Public safety		61 947	64 402	98 902	110 585	113 257	113 257	113 257	114 268	120 549	126 836	126 836	
Housing		5 185	5 546	7 516	15 156	14 029	14 029	14 029	17 555	18 741	19 952	19 952	
Health		5 498	4 015	4 808	6 001	4 512	4 512	4 512	6 170	6 611	7 064	7 064	
Economic and environmental services		97 515	103 093	129 634	131 281	142 013	142 013	142 013	142 113	150 245	158 827	158 827	
Planning and development		26 504	27 158	29 488	36 077	38 874	38 874	38 874	42 917	45 787	48 795	48 795	
Road transport		71 011	75 834	100 147	95 203	103 140	103 140	103 140	99 186	104 458	110 032	110 032	
Environmental protection		503 131	582 706	614 404	721 521	716 377	716 377	716 377	764 461	817 904	876 863	876 863	
Electricity		448 909	524 916	550 753	648 391	645 901	645 901	645 901	680 107	739 442	793 526	793 526	
Water		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		54 222	57 790	63 651	73 130	70 477	70 477	70 477	74 354	78 462	83 337	83 337	
Other		-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Standard	3	850 629	969 587	1 066 931	1 263 177	1 273 059	1 273 059	1 273 059	1 338 193	1 418 996	1 512 966	1 512 966	
Surplus/(Deficit) for the year	4	157 481	131 569	176 990	97 846	78 287	78 287	78 287	92 476	116 090	122 900	122 900	

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by Standard Classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

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KZN292 (KwaDukuza - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification))

Standard Classification Description	Rm	R thousand									
		2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal governance and administration	Executive and council	147 285	111 466	136 110	79 775	71 465	71 465	86 384	95 814	98 827	943 752
	Mayor and Council	147 285	111 466	136 110	79 775	71 465	71 465	86 384	95 814	98 827	943 752
Municipal governance and administration	Municipal Manager	19	-	1 377	17 216	8 709	8 709	12 376	8 963	102	
	Budget and treasury office	274 486	290 988	319 141	342 890	336 794	336 794	394 535	418 545	445 015	
Community and public safety	Corporate services	258	227	922	1 068	2 575	2 575	186	197	210	
	Human Resources	138	146	823	23	1 530	1 530	26	27	29	
Community and public safety	Information Technology	25	-	-	901	901	901	11	12	12	
	Property Services	9	9	10	24	24	24	24	25	27	
Community and public safety	Other Admin	86	72	90	120	120	120	126	133	142	
	Community and social services	10 720	44 021	44 870	69 541	72 680	72 680	70 152	79 578	75 182	
Community and public safety	Museums and Art Galleries etc	2 832	4 849	4 992	5 738	5 238	5 238	14 363	20 837	12 776	
	Libraries and Archives	1 518	2 861	3 227	3 802	3 802	3 802	4 038	4 216	4 443	
Community and public safety	Museums & Art Galleries etc	666	284	151	169	169	169	178	167	196	
	Community halls and Facilities	337	437	299	242	242	242	255	271	288	
Community and public safety	Cemeteries & Crematoriums	408	1 267	1 315	1 517	1 017	1 017	9 888	16 153	7 639	
	Child Care	-	-	-	-	-	-	-	-	-	
Community and public safety	Aged Care	-	-	-	-	-	-	-	-	-	
	Other Social	1	-	-	8	8	8	9	10	11	
Community and public safety	Sport and recreation	597	10 690	15 060	13 329	13 419	13 419	12 999	13 779	14 647	
	Public safety	6 498	26 216	22 045	33 736	33 249	33 249	36 068	36 232	40 641	
Community and public safety	Police	6 290	26 193	21 163	31 614	31 625	31 625	34 290	36 347	38 637	
	Fire	157	72	32	143	143	143	154	164	174	
Community and public safety	Civil Defence	-	-	-	-	-	-	-	-	-	
	Street Lighting	51	21	850	961	1 481	1 481	1 624	1 721	1 829	
Community and public safety	Other	-	-	-	-	-	-	-	-	-	
	Housing	682	2 265	2 772	17 711	20 749	20 749	6 693	6 706	7 082	
Community and public safety	Health	-	-	-	-	-	-	-	-	-	
	Clinics	-	-	-	-	-	-	-	-	-	
Community and public safety	Ambulance	-	-	-	-	-	-	-	-	-	
	Other	-	-	-	-	-	-	-	-	-	
Community and public safety	Economic development	29 986	32 182	64 856	81 086	81 520	81 520	61 691	60 169	72 656	
	Planning and development	5 119	10 450	14 955	20 882	12 488	12 488	10 678	11 165	11 888	
Community and public safety	Economic Development/Planning	296	506	189	14 620	2 623	2 623	515	392	146	
	Town Planning/Building enforcement	4 822	9 944	14 763	6 262	9 665	9 665	10 163	10 778	11 452	
Community and public safety	Road transport	24 847	21 732	49 901	60 204	69 032	69 032	51 013	49 003	61 058	
	Roads	16 412	13 031	41 366	50 461	59 289	59 289	40 682	38 052	49 417	
Community and public safety	Public Buses	-	-	-	-	-	-	-	-	-	
	Parking Garages	8 436	8 701	8 536	9 743	9 743	9 743	10 332	10 952	11 642	
Community and public safety	Other	-	-	-	-	-	-	-	-	-	
	Environmental protection	-	-	-	-	-	-	-	-	-	
Community and public safety	Pollution Control	-	-	-	-	-	-	-	-	-	
	Biodiversity & Landscapes	-	-	-	-	-	-	-	-	-	
Community and public safety	Other	-	-	-	-	-	-	-	-	-	
	Trading services	545 396	622 271	678 022	786 864	786 312	786 312	817 731	880 783	944 276	
Community and public safety	Electricity	502 351	561 186	605 779	711 045	710 683	710 683	734 196	782 236	850 151	
	Electricity Distribution	-	-	-	-	-	-	-	-	-	
Community and public safety	Water	-	-	-	-	-	-	-	-	-	
	Water Distribution	-	-	-	-	-	-	-	-	-	
Community and public safety	Water Storage	-	-	-	-	-	-	-	-	-	
	Waste water management	-	-	-	-	-	-	-	-	-	
Community and public safety	Sewerage	-	-	-	-	-	-	-	-	-	
	Storm Water Management	-	-	-	-	-	-	-	-	-	
Community and public safety	Public Toilets	-	-	-	-	-	-	-	-	-	
	Waste management	43 045	61 075	72 244	75 619	75 619	75 619	83 535	88 547	94 125	
Community and public safety	Solid Waste	-	-	-	-	-	-	-	-	-	
	Other	-	-	-	-	-	-	-	-	-	
Community and public safety	Air Transport	-	-	-	-	-	-	-	-	-	
	Abolition	-	-	-	-	-	-	-	-	-	
Community and public safety	Tourism	-	-	-	-	-	-	-	-	-	
	Forestry	-	-	-	-	-	-	-	-	-	
Community and public safety	Markets	-	-	-	-	-	-	-	-	-	
	Total Revenue - Standard	1 006 110	1 101 155	1 243 921	1 361 023	1 351 346	1 351 346	1 430 669	1 535 065	1 635 866	

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1. Insert 'Vote', e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

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KZN292 KwaDukuza - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year
Surplus/(Deficit) for the year	2	157 481	131 559	176 990	97 646	78 287	78 287	Budget Year + 1
								Budget Year + 2

References

1. Insert 'Vote'; e.g. Department, if different to standard structure

2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')

3. Assign share in 'associate' to relevant Vote

KZN292 Kwadukuzi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Revenue By Source										R thousands
		2012/13	2013/14	2014/15	Audited Outcome	Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Property rates	2	237 479	255 740	274 954	305 871	305 871	305 871	305 871	305 871	346 237	367 707	391 603
Property rates - penalties & collection charges	2	10 744	9 666	8 830	12 106	5 050	5 050	5 050	5 050	12 106	12 832	13 640
Service charges - electricity revenue	2	467 668	527 050	566 804	648 849	648 591	648 591	648 591	648 591	680 624	733 844	792 735
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	42 645	47 634	54 849	58 563	58 563	58 563	58 563	58 563	68 077	72 161	76 708
Service charges - other	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	2	1 055	1 065	1 065	1 074	1 074	1 074	1 074	1 074	-	-	-
Interest earned - external investments	2	21 099	21 700	30 491	24 385	24 405	24 405	24 405	24 405	32 501	34 451	36 621
Interest earned - outstanding debtors	2	2 729	4 283	5 673	4 850	5 400	5 400	5 400	5 400	5 676	6 017	6 396
Dividends received	2	-	-	-	-	-	-	-	-	-	-	-
Fines	2	5 887	25 973	21 075	31 287	31 287	31 287	31 287	31 287	36 949	36 965	38 252
Licences and permits	2	8 571	8 768	8 88	180	183	183	183	183	193	205	218
Agency services	2	-	-	8 535	9 706	9 706	9 706	9 706	9 706	10 294	10 911	11 589
Transfers recognised - operational	2	95 652	100 142	119 744	119 022	123 283	123 283	123 283	123 283	130 488	144 904	159 411
Other revenue	2	75 140	52 514	62 569	46 313	59 648	59 648	59 648	59 648	41 146	42 500	44 341
Gains on disposal of PPE	2	-	84	54	-	30	30	30	30	-	-	-
Total Revenue (excluding capital transfers and contributions)		968 669	1 054 621	1 154 731	1 263 206	1 273 091	1 273 091	1 273 091	1 273 091	1 362 421	1 462 717	1 572 800
Expenditure By Type												
Employee related costs	2	200 715	228 028	251 404	306 084	294 494	294 494	294 494	294 494	323 610	346 910	370 847
Remuneration of councillors	2	15 130	16 008	17 612	20 189	20 129	20 129	20 129	20 129	21 255	22 754	24 394
Debt impairment	3	2 183	16 080	17 079	11 372	36 372	36 372	36 372	36 372	36 977	36 640	37 343
Depreciation & asset impairment	2	42 159	50 715	59 651	71 082	73 912	73 912	73 912	73 912	78 750	82 691	87 073
Finance charges	2	8 135	11 600	19 808	26 033	26 033	26 033	26 033	26 033	26 697	28 307	29 364
Bulk purchases	2	381 430	398 247	427 861	496 944	490 000	490 000	490 000	490 000	528 514	569 738	615 317
Other materials	8	32 356	37 312	43 794	44 342	47 364	47 364	47 364	47 364	42 885	45 649	48 119
Contracted services	2	22 565	26 560	30 745	31 118	30 422	30 422	30 422	30 422	30 297	31 826	33 520
Transfers and grants	4, 5	41 915	33 077	20 752	42 494	46 114	46 114	46 114	46 114	42 336	44 747	47 427
Other expenditure	4, 5	119 614	151 350	181 467	213 088	208 751	208 751	208 751	208 751	209 399	214 200	226 075
Loss on disposal of PPE	4, 5	4 538	-	1 759	423	468	468	468	468	494	525	556
Total Expenditure		850 629	969 587	1 066 931	1 263 177	1 273 059	1 273 059	1 273 059	1 273 059	1 338 193	1 418 936	1 512 966
Surplus/(Deficit)		118 040	85 034	87 800	53 317	75 755	75 755	75 755	75 755	68 249	43 721	59 834
Transfers recognised - capital	6	21 012	41 509	73 995	14 500	2 500	2 500	2 500	2 500	-	-	63 066
Contributed assets	6	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6	18 429	5 025	15 195	-	-	-	-	-	-	-	-
Taxation	7	157 481	131 569	176 990	97 846	78 287	78 287	78 287	78 287	92 476	116 090	122 900
Surplus/(Deficit) after taxation	7	157 481	131 569	176 990	97 846	78 287	78 287	78 287	78 287	92 476	116 090	122 900
Share of surplus/(deficit) of associate	7	157 481	131 569	176 990	97 846	78 287	78 287	78 287	78 287	92 476	116 090	122 900
Surplus/(Deficit) for the year	7	157 481	131 569	176 990	97 846	78 287	78 287	78 287	78 287	92 476	116 090	122 900

1. Classifications are revenue sources and expenditure type
 2. Detail to be provided in Table SA1
 3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
 4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/team; e.g. employee costs
 5. Repairs & maintenance detailed in Table A9 and Table SA34c
 6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
 7. Equity method

KZN292 KwDukuzza - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Pre-outcome	2016/17 Budget Year	2017/18 Budget Year +1	2016/17 Medium Term Revenue & Expenditure Framework
Capital expenditure - Vote	1	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Multi-year expenditure, to be appropriated	2										
State-year expenditure, to be appropriated	7										
Capital multi-year expenditure sub-total		25 642	129 733	72 703	143 862	220 630	220 630	220 630	127 261	154 687	171 192
Vote 1 - Municipal Manager		3 033	7 676	8 386	22 059	18 000	18 000	18 000	11 000	8 867	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 4 - Economic Development Planning		555	88	-	1 100	1 055	9 270	1 055	1 250	-	-
Vote 5 - Municipal Services: Community Safety		439	1 218	-	13 200	18 660	9 270	9 270	1 400	1 700	3 000
Vote 6 - Municipal Services: Community Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering		12 963	59 240	20 289	52 612	125 086	125 086	125 086	72 400	89 521	5 650
Vote 8 - Electrical Engineering		8 651	61 510	44 027	54 891	48 579	48 579	48 579	19 661	29 449	28 054
Vote 9 - Corporate Governance		-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		81 499	121 916	172 858	231 482	138 740	138 740	138 740	175 886	44 204	19 200
Total Capital Expenditure - Vote		107 140	251 648	245 561	375 344	359 370	359 370	359 370	303 158	198 891	190 392
Capital Expenditure - Standard											
Government and administration		10 165	13 158	11 124	32 335	22 685	22 685	22 685	18 650	10 507	580
Executive and council		6 953	9 141	8 532	26 775	18 885	18 885	18 885	13 650	10 107	180
Budget and treasury office		659	347	1 363	1 700	2 000	2 000	2 000	1 660	400	400
Corporate services		2 552	3 671	1 229	3 860	1 790	33 602	33 602	3 340	-	-
Community and public safety		10 472	16 958	14 627	43 287	33 602	33 602	33 602	34 821	33 295	38 643
Community and social services		2 472	6 443	5 207	11 239	20 603	20 603	20 603	21 203	22 550	16 618
Sport and recreation		4 210	7 661	1 572	13 382	6 668	6 668	6 668	5 757	200	200
Public safety		3 780	2 180	1 572	13 382	6 668	6 668	6 668	8 826	10 190	21 800
Housing		-	675	96	1 060	1 150	1 150	1 150	1 135	355	225
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		44 568	112 665	113 848	185 402	194 881	194 881	194 881	182 679	124 505	122 725
Planning and development		2 117	5 703	2 355	20 797	12 220	12 220	12 220	5 000	3 035	4 140
Road transport		42 451	106 961	111 493	164 605	182 682	182 682	182 682	187 679	121 470	118 585
Environmental protection		41 535	108 865	105 313	114 340	108 202	108 202	108 202	56 907	30 584	28 244
Electricity		41 272	103 456	104 568	112 538	108 747	108 747	108 747	56 587	29 764	28 174
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		663	5 408	1 344	1 803	1 455	1 455	1 455	320	820	70
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	107 140	251 648	245 561	375 344	359 370	359 370	359 370	303 158	198 891	190 392
Funded by:											
National Government		21 012	37 135	67 352	81 772	74 165	74 165	74 165	67 864	72 113	63 066
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-
Public contributions & donations		21 012	41 608	77 495	83 317	75 755	75 755	75 755	68 249	72 368	63 066
Borrowing		18 429	5 025	15 195	14 500	2 500	2 500	2 500	2 186	-	-
Internally generated funds		41 830	191 964	78 132	260 232	18 368	18 368	18 368	232 747	128 522	127 326
Total Capital Funding	7	107 140	251 648	245 561	375 344	359 370	359 370	359 370	303 158	198 891	190 392

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for y12 and y13).
2. Include capital expenditure by standard classification and to the appropriate for the budget year.
3. Capital expenditure by standard classification must reconcile to the appropriate for the budget year.
4. Must reconcile to supporting table S120 and to Budgeted Financial Performance (revenue and expenditure).
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure).
6. Include finance leases and PPP capital funding component of unitary payment.
7. Total Capital Funding must balance with Total Capital Expenditure.
8. Include any capitalised interest (MFRSA section 46) as part of relevant capital budget.

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Description	Ref	Current Year 2015/16										R thousand
		2013/14	2014/15	Audited Outcome	Original Budget	Adjusted Budget	Full Year	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
CASH FLOW FROM OPERATING ACTIVITIES	1	248 224	261 457	580 171	673 248	669 213	309 168	309 168	342 508	362 485	374 719	Receipts
		511 435	567 772	580 171	673 248	669 213	309 168	309 168	342 508	362 485	374 719	
		256 355	66 224	66 224	60 816	59 873	669 213	669 213	723 921	747 782	801 881	
		85 652	119 744	119 744	119 022	123 283	59 873	59 873	56 301	44 904	52 686	
		100 142	73 995	73 995	83 317	75 755	123 283	123 283	130 488	159 411	159 411	
		21 012	30 481	30 481	28 491	27 915	27 915	27 915	68 249	72 368	63 066	
		21 089	21 700	21 700	28 491	27 915	27 915	27 915	36 190	38 061	40 459	
		(937 262)	(891 459)	(898 956)	(1 031 961)	(1 075 001)	(1 075 001)	(1 075 001)	(1 125 795)	(1 192 416)	(1 279 005)	
		(8 135)	(11 601)	(19 808)	(26 033)	(26 033)	(26 033)	(26 033)	(24 697)	(23 307)	(22 354)	
		(20 620)	(8 526)	(20 752)	(500)	(6 600)	(6 600)	(6 600)	(490)	(520)	(551)	
NET CASH FROM/USED) OPERATING ACTIVITIES		187 759	162 565	162 565	222 623	157 573	157 573	157 573	205 674	196 158	190 312	
CASH FLOWS FROM INVESTING ACTIVITIES		361	84	84	10 500	500	500	500	500	(340)	645	Receipts
		361	84	84	10 500	500	500	500	500	(340)	645	
		Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	Decrease (increase) in non-current debtors	
		Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	Decrease (increase) other non-current receivables	
		Payments	Payments	Payments	Payments	Payments	Payments	Payments	Payments	Payments	Payments	
		Capital assets	Capital assets	Capital assets	Capital assets	Capital assets	Capital assets	Capital assets	Capital assets	Capital assets	Capital assets	
		Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	Proceeds on disposal of PPE	
		NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	NET CASH FROM/USED) INVESTING ACTIVITIES	
		(88 698)	(255 041)	(255 041)	(375 344)	(359 370)	(359 370)	(359 370)	(303 158)	(198 891)	(190 392)	
		(88 318)	(254 944)	(254 944)	(364 844)	(362 669)	(362 669)	(362 669)	(298 746)	(199 184)	(189 583)	
CASH FLOWS FROM FINANCING ACTIVITIES		34 845	81 284	80 876	15 108	44 599	44 599	44 599	-	-	-	
NET CASH FROM/USED) FINANCING ACTIVITIES		34 845	81 284	80 876	15 108	44 599	44 599	44 599	-	-	-	Payments
		34 845	81 284	80 876	15 108	44 599	44 599	44 599	-	-	-	
		Short term loans	Short term loans	Short term loans	Short term loans	Short term loans	Short term loans	Short term loans	Short term loans	Short term loans	Short term loans	
		Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	Borrowing long term financing	
		Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	Increase (decrease) in consumer deposits	
		1 462	1 487	1 822	1 788	1 788	1 788	1 788	2 989	1 500	1 500	
		(10 144)	(13 547)	(17 043)	(13 949)	(18 396)	(18 396)	(18 396)	(712)	(9 578)	(9 250)	
		26 162	69 225	65 756	2 947	27 991	27 991	27 991	2 276	(8 078)	(7 750)	
		125 604	528 947	528 947	420 164	540 391	540 391	540 391	272 490	272 490	254 364	
		403 343	542 371	542 371	420 164	540 391	540 391	540 391	363 286	363 286	261 386	
NET INCREASE/ (DECREASE) IN CASH HELD	2	125 604	528 947	528 947	420 164	540 391	540 391	540 391	272 490	272 490	254 364	
Cash/cash equivalents at the year end:	2	125 604	528 947	528 947	420 164	540 391	540 391	540 391	272 490	272 490	254 364	
Cash/cash equivalents at the year begin:	2	13 423	542 371	542 371	420 164	540 391	540 391	540 391	272 490	272 490	254 364	
NET CASH FROM/USED) FINANCING ACTIVITIES		13 423	542 371	542 371	420 164	540 391	540 391	540 391	272 490	272 490	254 364	

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

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Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework												
		Current Year 2015/16					2016/17 Medium Term Revenue & Expenditure Framework							
R thousand		Audited Outcome	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year 2017/18	Budget Year 2018/19			
Cash and investments available														
Cash/equivalents at the year end	1	528 947	542 371	540 391	280 890	363 286	363 286	363 286	272 490	261 386	254 364			
Non current assets - investments	1	(0)	(0)	(0)	(0)	0	0	0	0	0	0			
Cash and investments available:														
Application of cash and investments		528 947	542 371	540 391	280 890	363 286	363 286	363 286	272 490	261 386	254 365			
Unspent conditional transfers		58 110	75 476	39 226	-	-	-	-	-	-	-			
Unspent borrowing		-	-	-	-	-	-	-	-	-	-			
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-			
Other working capital requirements	3	49 712	63 335	71 590	46 653	72 708	72 708	72 708	89 656	69 705	43 278			
Other provisions	4	-	-	-	-	-	-	-	-	-	-			
Long term investments committed	5	-	-	-	-	-	-	-	-	-	-			
Reserves to be backed by cash/investments														
Total Application of cash and investments:		107 822	138 811	110 816	46 653	72 708	72 708	72 708	162 338	170 804	175 809			
Surplus(shortfall)		421 126	403 560	429 575	234 237	290 577	290 577	290 577	110 152	91 382	78 555			

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

4. For example: sinking fund requirements for borrowing

5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors

Creditors due

Total

Debtors collection assumptions

Balance outstanding - debtors

Estimate of debtors collection rate

Long term investments committed

Balance (insert description; eg sinking fund)

109 962	109 297	107 604	130 767	147 966	147 966	147 966	147 966	147 966	147 966	147 966	142 771	175 289	226 518
159 674	172 632	179 184	177 420	220 674	220 674	220 674	220 674	220 674	220 674	220 674	232 429	245 004	269 796
(49 712)	(63 335)	(71 590)	(46 653)	(72 708)	(72 708)	(72 708)	(72 708)	(72 708)	(72 708)	(72 708)	(69 656)	(69 705)	(43 278)

Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Development Fund	8 728	8 728	8 728	18 541	18 541	18 541	18 541	18 541	18 541	18 541	8 728	8 728	8 728
Capital replacement	-	-	-	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other short term liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds and Reserves Policy (20% increase pa)	-	-	-	-	-	-	-	-	-	-	-	-	-

8 728	8 728	8 728	18 541	18 541	18 541	18 541	18 541	18 541	18 541	18 541	72 680	100 800	132 531
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Description	Ref	R thousand		CAPITAL EXPENDITURE		Total New Assets		Total Renewal of Existing Assets		Total Capital Expenditure		ASSET REGISTER SUMMARY - PPE (WDV)		TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		EXPENDITURE OTHER ITEMS	
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Infrastructure - Road transport	1	Audited	71 546	178 406	208 968	278 953	251 414	242 169	167 502	155 415	25 597	50	79 347	45 563	-	-	155 415
		Audited	27 557	97 794	96 458	142 337	136 052	136 385	85 698	27 179	53 700	25 597	50	79 347	45 563	-	-	155 415
Infrastructure - Electricity	6	Audited	19 948	51 947	89 614	43 955	41 433	34 293	167 502	155 415	25 597	50	79 347	45 563	-	-	155 415
Infrastructure - Sanitation		Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	6	Audited	620	286	1 411	1 103	755	200	167 502	155 415	25 597	50	79 347	45 563	-	-	155 415
Infrastructure - Sanitation		Audited	48 126	150 028	187 483	178 240	178 240	178 240	178 240	167 502	155 415	25 597	50	79 347	45 563	-	-	155 415
Community	6	Audited	7 127	11 415	10 411	29 382	25 055	48 417	32 960	79 347	45 563	-	-	-	-	-	79 347
Heritage assets		Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	6	Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets		Audited	16 292	16 963	9 792	61 796	48 119	22 474	21 615	30 505	30 505	-	-	-	-	-	-
Biological assets	6	Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangibles		Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	Audited	35 596	73 242	36 593	96 391	107 956	107 956	60 989	31 389	34 977	-	-	-	-	-	34 977
Infrastructure - Road transport		Audited	15 509	51 534	17 380	18 042	40 075	26 153	11 500	31 389	34 977	-	-	-	-	-	-
Infrastructure - Electricity	2	Audited	11 964	15 509	17 380	18 042	40 075	26 153	11 500	31 389	34 977	-	-	-	-	-	34 977
Infrastructure - Water		Audited	19 166	51 534	17 380	18 042	40 075	26 153	11 500	31 389	34 977	-	-	-	-	-	-
Infrastructure - Sanitation	2	Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	2	Audited	31 130	67 043	27 608	66 694	85 911	45 039	13 776	13 776	33 257	-	-	-	-	-	33 257
Community		Audited	596	3 884	2 515	19 689	12 017	7 550	3 639	900	900	-	-	-	-	-	-
Heritage assets	6	Audited	3 869	2 315	6 383	10 028	10 028	8 400	13 980	820	-	-	-	-	-	-	820
Investment properties		Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	6	Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets		Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangibles	6	Audited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		Audited	39 521	113 304	113 838	160 379	176 127	162 538	97 198	84 500	84 500	-	-	-	-	-	-
Infrastructure - Road transport	4	Audited	39 114	103 481	99 805	92 608	87 269	53 179	29 449</								

194 509	184 141	174 278	170 939	170 939	165 086	138 519	124 385	105 462	33.2%	29.1%	14.9%	25.7%	30.0%	146.1%	135.6%	6.0%	12.0%	11.0%	11.0%	7.0%	6.0%	6.0%	18.4%	40.2%	4.7%	6.0%
TOTAL EXPENDITURE OTHER ITEMS																										
Renewal of Existing Assets as % of total capex																										
R&M as a % of PPE																										
Renewal and R&M as a % of PPE																										

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category

KZN292 Kwadukuza - Table A10 Basic service delivery measurement

1. Includes services provided by another entity, e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)

KZN292 KwaDukuza - Supporting Table SA2 Matrix Financial Performance Budget (Revenue source/expenditure type and dept.)

Description		Ref	Vote 1 - Municipal Manager	Vote 2 - Corporate Services	Vote 3 - Finance	Vote 4 - Economic Development Planning	Vote 5 - Municipal Services: Community Services	Vote 6 - Municipal Services: Community Safety	Vote 7 - Civil Engineering	Vote 8 - Electrical Engineering	Vote 9 - Corporate Governance	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
Revenue By Source			1															
Property rates					346 237					680 624								346 237
Property rates - penalties & collection charges					12 106													12 106
Service charges - electricity revenue																		680 624
Service charges - water revenue																		-
Service charges - sanitation revenue																		-
Service charges - refuse revenue																		-
Service charges - other				67	25 224	498	68 077		10	7 213								68 077
Rental of facilities and equipment					5 676	63												1 133
Interest earned - external investments																		32 501
Interest earned - outstanding debtors																		5 676
Dividends received																		-
Fines						17		33 932										33 949
Licences and permits				15		104	50	24										193
Agency services								10 294										10 294
Other revenue			57	543	3 557	12 413	857	579	165	22 936	39							41 146
Transfers recognised - operational			1 285	73 535	1 725	8 369	28 101	1 572	2 467	13 434								130 488
Gains on disposal of PPE																		-
Total Revenue (excluding capital transfers and contribution)			1 342	74 160	394 525	21 462	97 645	46 400	2 642	724 207	39	-	-	-	-	-	-	1 362 421
Expenditure By Type																		
Employee related costs				14 672	20 325	30 735	51 957	49 219	25 486	41 026	9 977							323 610
Remuneration of councillors					21 235	-		172		5 593								21 235
Debt impairment					2 212	4 000	795	6 245	29 372	31 126	471							35 977
Depreciation & asset impairment			139		2 475	4 503	6 245	3 625	8 045	16 108								78 750
Finance charges					49	207	36	186		528 514								24 697
Bulk purchases						-				(4 939)	135							528 514
Other materials			15	687	298	1 859	16 561	4 355	23 802									42 865
Contracted services					309	2 296	377	27 314		13 434								30 297
Transfers and grants					13 003	490	15 409			61 076								42 336
Other expenditure					694	22 616	42 230	16 710	5 305	446	12 265							209 399
Loss on disposal of PPE			9 027	39 476		47												494
Total Expenditure			23 853	86 778	52 027	82 017	157 186	129 089	92 010	682 384	22 648	-	-	-	-	-	-	1 338 193
Surplus/(Deficit)			(22 511)	(12 617)	342 497	(60 555)	(59 541)	(82 690)	(69 369)	31 822	(22 610)	-	-	-	-	-	-	24 227
Transfers recognised - capital			11 000			386	8 800		38 064	10 000								68 249
Contributions recognised - capital																		-
Contributed assets																		-
Surplus/(Deficit) after capital transfers & contributions			(11 511)	(12 617)	342 497	(60 170)	(50 741)	(82 690)	(51 305)	41 822	(22 610)	-	-	-	-	-	-	92 476

References

1. Departmental columns to be based on municipal organisation structure

KZN292 KwaDukuza - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework										
		Audited Outcome	2013/14 Outcome	2014/15 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
ASSETS	2	393 131	359 200	380 259	267 767	326 420	326 420	326 420	226 420	216 420	208 420	
		Call investment deposits	Call deposits < 90 days	Other current investments > 90 days	Total Call investment deposits	Consumer debtors	Less: Provision for debt impairment	Total Consumer debtors	Debt impairment provision	Balance at the beginning of the year	Contributions to the provision	
LIABILITIES	2	103 143	103 467	119 557	15 546	6 697	5 162	6 209	125 042	136 414	172 499	
		Bad debts written off	Balance at end of year	Property, plant and equipment (PPE)	PPE at cost/valuation (excl. finance leases)	Leases recognised as PPE	Less: Accumulated depreciation	Total Property, plant and equipment (PPE)	379 329	424 686	483 466	
CHANGES IN NET ASSETS	4	82 198	147 832	212 342	221 802	241 325	241 325	241 325	220 674	240 792	231 124	
		Accumulated Surplus/(Deficit) - opening balance	Accumulated Surplus/(Deficit)	GRAP adjustments	Restated balance	Surplus/(Deficit)	Appropriations to Reserves	Transfers from Reserves	Depreciation offsets	Other adjustments	Accumulated Surplus/(Deficit)	
TOTAL COMMUNITY WEALTH/EQUITY	2	1 119 420	1 266 031	1 751 251	1 450 985	1 829 537	1 829 537	1 829 537	1 922 013	2 050 656	2 174 132	
		Total Reserves	Revaluation	Other reserves	Self-insurance	Capital replacement	Housing Development Fund	Reserves	Accumulated Surplus/(Deficit)	Other adjustments	Accumulated Surplus/(Deficit)	
Total capital expenditure includes expenditure on nationally significant priorities:												
Provision of basic services												

KZN292 KwaDukuza - Supporting Table S44 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework				
				2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19		
R thousand														
BASIC SERVICE DELIVERY	Electricity			502 351	561 196	605 779	693 045	692 693	692 693	724 196	779 236	840 151		
	Civic Buildings			(1)	0	0	15	15	15	14	14	15		
	Civil Works Administration			18	-	1 397	2 853	2 853	2 853	2 496	2 675	2 826		
	Staff Housing and Estates			11	9	9	10	10	10	10	11	11		
	Information Technology			25	-	-	11	11	11	11	12	12		
LOCAL ECO. DEVELOPM.	Roads and Stormwater			16 394	13 031	39 969	8 924	4 024	4 024	123	130	138		
	Housing			692	2 265	2 772	17 276	11 893	11 893	6 308	6 451	7 092		
SPATIAL ANALYSIS	Local Economic Development			296	506	193	870	2 623	2 623	515	392	146		
HEALTH and HIV/AIDS	Town Planning			4 822	9 944	14 763	6 262	9 865	9 865	10 163	10 773	11 452		
SAFE AND SECURE ENVIRONMENT	Health			-	-	-	25	25	25	23	25	26		
	Security			6 341	26 145	22 013	32 595	33 106	33 106	35 913	38 068	40 467		
	Fire and Rescue			157	72	32	143	143	143	154	164	174		
	Public Amenities			29	(197)	45	86	176	176	89	94	100		
	Waste Management			43 045	61 075	67 766	75 619	75 619	75 619	83 535	88 547	94 125		
MUNICIPAL INSTITUTIONAL DEVELOPMENT	Mechanical Workshop			-	(29)	-	11	11	11	11	12	12		
	Road Safety			8 435	8 701	8 535	9 743	9 743	9 743	10 332	10 952	11 642		
	Community			2 524	3 582	3 677	4 221	4 221	4 221	4 481	4 683	4 937		
	Human Resources			138	146	823	23	1 530	1 530	26	27	29		
	Culture and Sport			44	10 363	11 288	10 962	10 962	10 962	12 350	13 091	13 916		
GOOD GOVERNANCE	Cemeteries			408	1 267	1 315	1 517	1 017	1 017	1 088	1 153	1 226		
	Internal Audit			3	(6)	-	217	217	217	13	13	14		
	Corporate Communications			2	(10)	-	9	9	9	12	12	13		
	Caravan Park			524	524	531	531	531	531	560	583	631		
	Municipal Manager			1	16	1 377	1 466	1 466	1 466	1 330	47	50		
MUNICIPAL FINANCIAL VIABILITY	Administration			99	101	90	123	123	123	130	137	146		
	Council General			107 825	64 932	53 217	53 759	73 410	73 410	74 009	86 851	98 425		
Allocations to other priorities	Public Participation			-	-	-	4	4	4	7	7	8		
	Financial Management Assessment Rates			38 106	35 248	44 186	37 019	30 923	30 923	48 288	50 838	53 412		
Total Revenue (excluding capital transfers and contributions)			2	236 380	255 740	274 954	305 871	305 871	305 871	346 237	367 707	391 603		
			1	968 669	1 054 621	1 154 731	1 263 206	1 273 091	1 273 091	1 362 421	1 462 717	1 572 800		

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN292 KwaDukuza - Supporting Table SAs Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Current Year 2015/16							2016/17 Medium Term Revenue & Expenditure Framework				
			Ref	Audited Outcome			Original Budget		Adjusted Budget		Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
				2012/13	2013/14	2014/15	Budget	Budget	Budget	Budget				
R thousand														
BASIC SERVICE DELIVERY	Electricity		451 611	524 542	558 831	647 211	644 771	644 771	688 925	738 208	792 173			
	Civic Buildings		4 526	4 560	5 887	5 739	5 888	5 688	5 596	5 969	6 355			
	Civil Works Administration		4 383	5 004	7 107	11 141	9 037	9 037	10 501	11 214	11 950			
	Staff Housing and Estates		17	9	11	14	53	53	13	14	15			
	Information Technology		7 675	10 373	13 240	11 785	12 011	12 011	10 467	11 079	11 753			
	Roads and Stormwater		58 767	61 674	83 287	72 341	82 566	82 566	75 899	79 608	83 584			
	Housing		5 185	5 546	7 516	15 156	14 029	14 029	17 555	18 741	19 952			
	Local Economic Development		7 503	10 229	12 861	11 436	14 369	14 369	13 124	13 923	14 808			
	Spatial Analysis		19 001	16 931	16 807	24 641	24 505	24 505	29 793	31 864	33 987			
	Health and HIV/AIDS		5 498	4 015	4 808	6 001	4 512	4 512	6 170	6 611	7 064			
SAFE AND SECURE ENVIRONMENT	Security		43 854	64 917	65 387	84 580	89 112	89 112	89 244	93 731	98 349			
	Fire and Rescue		15 754	20 244	24 088	27 499	25 940	25 940	27 050	28 931	30 862			
	Public Amenities		14 229	16 408	18 742	22 145	21 409	21 409	21 695	23 137	24 621			
	Waste Management		54 222	57 790	63 651	73 130	70 477	70 477	74 354	78 462	83 337			
	Mechanical Workshop		2 221	2 710	2 651	2 926	3 340	3 340	3 459	3 706	3 956			
MUNICIPAL INSTITUTIONAL DEVELOPMENT	Road Safety		7 851	9 257	9 752	11 721	11 537	11 537	12 785	13 636	14 498			
	Community		12 591	14 744	17 360	21 830	22 876	22 876	23 078	24 610	26 189			
	Human Resources		6 344	6 940	8 034	15 034	10 792	10 792	10 047	10 736	11 440			
	Culture and Sport		39 818	42 742	43 065	49 127	48 082	48 082	48 908	52 082	55 242			
	Cemeteries		3 377	3 473	3 752	5 372	5 440	5 440	6 059	6 446	6 850			
GOOD GOVERNANCE	Internal Audit		2 149	1 613	1 643	3 192	3 075	3 075	3 785	4 051	4 321			
	Corporate Communications		4 737	7 616	7 306	8 741	11 018	11 018	8 962	9 546	10 141			
	Caravan Park		-	-	7	-	-	-	-	-	-			
	Municipal Manager Administration		7 982	11 362	14 860	15 225	17 437	17 437	20 068	21 430	22 811			
	Council General		10 274	8 813	8 355	11 001	10 094	10 094	12 564	13 461	14 376			
MUNICIPAL FINANCIAL VIABILITY	Public Participation		28 160	27 842	34 188	49 741	55 573	55 573	58 134	58 010	59 059			
	Financial Management		4 629	4 896	4 289	6 478	6 951	6 951	7 920	8 428	8 946			
	Assessment Rates		30 262	25 338	29 678	37 585	35 980	35 980	39 024	39 709	41 952			
Total Expenditure			1	850 629	969 567	1 066 931	1 263 177	1 273 059	1 273 059	1 338 193	1 418 996	1 512 966		
Allocations to other priorities														
References														

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

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Strategic Objective	Goal	Goal Code	Ref	2012/13		2013/14		2014/15		Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework									
				Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20									
BASIC SERVICE DELIVERY	Electricity	A		41 272	103 456	104 569	112 538	106 747	106 747	56 587	29 764	28 174		41 272	103 456	104 569	112 538	106 747	106 747				
	Waste Management	B		663	5 409	1 344	1 803	1 455	1 455	320	820	70		663	5 409	1 344	1 803	1 455	1 455				
	Community	C		2 011	5 729	3 725	11 239	3 918	3 918	2 203	3 350	805		2 011	5 729	3 725	11 239	3 918	3 918				
	Road transport	D		42 451	106 961	111 493	164 605	182 662	182 662	187 679	121 470	118 585		42 451	106 961	111 493	164 605	182 662	182 662				
	Cemeteries	E		461	714	1 481	15 862	16 686	16 686	19 000	19 200	15 813		461	714	1 481	15 862	16 686	16 686				
	Housing	F		-	675	96	1 060	1 150	1 150	1 135	355	225		-	675	96	1 060	1 150	1 150				
	Support Services/ Fleet	G		-	-	-	-	-	-	-	-	-		-	-	-	-	-	-				
	Financial Management and Admin	H		659	347	1 383	1 700	2 000	2 000	1 660	-	-		659	347	1 383	1 700	2 000	2 000				
	Human Resources & Corporate	I		2 552	3 671	1 229	3 860	1 790	1 790	3 340	400	400		2 552	3 671	1 229	3 860	1 790	1 790				
	Executive & Council	J		6 370	8 603	8 517	26 775	18 895	18 895	13 500	8 917	40		6 370	8 603	8 517	26 775	18 895	18 895				
INTEGRATED HUMAN SETTLEMENT	Land Management	K		-	-	-	-	-	-	-	-	-		-	-	-	-	-	-				
	Local Economic Development	L		1 984	5 311	2 085	18 822	10 195	10 195	2 900	830	620		1 984	5 311	2 085	18 822	10 195	10 195				
	Integrated Planning	M		133	392	269	1 875	2 025	2 025	2 100	2 205	3 520		133	392	269	1 875	2 025	2 025				
	Public Participation	N		583	538	15	-	-	-	150	1 190	140		583	538	15	-	-	-				
ECONOMIC DEVELOPMENT & JOB CREATION	Public Safety	O		3 790	2 160	7 801	1 263	4 353	4 353	6 826	9 930	6 540		3 790	2 160	7 801	1 263	4 353	4 353				
	Fire and Emergency	P		-	-	-	460	628	628	-	260	15 260		-	-	-	460	628	628				
	Sports and Recreation	Q		4 210	7 661	1 572	13 382	6 868	6 868	5 757	200	200		4 210	7 661	1 572	13 382	6 868	6 868				
	Security	R		-	-	-	-	-	-	-	-	-		-	-	-	-	-	-				
SAFE & SECURE ENVIRONMENT	Health	S		-	-	-	-	-	-	-	-	-		-	-	-	-	-	-				
	Allocations to other priorities																						
	Total Capital Expenditure			107 140	251 648	245 561	375 344	359 370	359 370	303 168	198 891	190 392		107 140	251 648	245 561	375 344	359 370	359 370				
				1														3					

References
1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table S496

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Description	Unit of measurement	2021/13		2021/14		2021/15		Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Budget Outcome	Budget Outcome	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18
Vote 1 - Corporate Governance-Oram											
MP Public Participation											
MP Finance Plan											
Approval and adoption		2012/07/31	2013/07/31	2014/07/31	2015/07/31	2016/07/31	2017/07/31	2018/07/31	2019/07/31	2020/07/31	2021/07/31
Mayoral mandate		2012/05/31	2013/05/31	2014/05/31	2015/05/31	2016/05/31	2017/05/31	2018/05/31	2019/05/31	2020/05/31	2021/05/31
Ward committee reports	Number	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
IDP roadshows	Number	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Approval of FMS Framework		2012/07/31	2013/07/31	2014/07/31	2015/07/31	2016/07/31	2017/07/31	2018/07/31	2019/07/31	2020/07/31	2021/07/31
Submission of top layer of SDBIP to Mayor	Date	2012/07/31	2013/07/31	2014/07/31	2015/07/31	2016/07/31	2017/07/31	2018/07/31	2019/07/31	2020/07/31	2021/07/31
Completion of Performance agreements	Date	2012/07/31	2013/07/31	2014/07/31	2015/07/31	2016/07/31	2017/07/31	2018/07/31	2019/07/31	2020/07/31	2021/07/31
Approval and adoption of Annual Report	Date	2012/07/31	2013/07/31	2014/07/31	2015/07/31	2016/07/31	2017/07/31	2018/07/31	2019/07/31	2020/07/31	2021/07/31
Approval and adoption of Oversight Report	Date	2013/03/31	2014/03/31	2015/03/31	2016/03/31	2017/03/31	2018/03/31	2019/03/31	2020/03/31	2021/03/31	2022/03/31
Completion of Risk Based Internal Audit Plan	Date	2012/09/30	2013/09/30	2014/09/30	2015/09/30	2016/09/30	2017/09/30	2018/09/30	2019/09/30	2020/09/30	2021/09/30
Dashboard reports completed	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Ag action plans completed	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Ag action plans completed	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Autocom/FAC meetings	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Autocom/FAC reports to Council	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Approval of Top 10 Risks	Number	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Risk Management meetings	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Special Projects	Number	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
% expenditure on implementation	Percentage	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Completion of Risk Based Internal Audit Plan	Percentage	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Reports to Council on Operation Sukuma Sakhe	Number	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Special programmes implemented	Number	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Mayoral radio slots	Number	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Municipal publications	Number	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Target groups employed in the three highest levels of	Percentage/Number	77.5%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
accordance with the EE targets	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
implementing a workplace skills plan	Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Nr of Councilors trained in terms of the WSP	Number	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nr of officials trained in terms of the WSP	Number	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
115C	Number	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vote 3 - Local Economic Development	Number	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
economic development initiatives	Number	2270.00	819.00	450.00	55.00	60.00	0.00	0.00	0.00	0.00	0.00
Nr of job opportunities created through EPWP	Number	2270.00	450.00	472.00	120.00	0.00	0.00	0.00	0.00	0.00	0.00
Nr of new houses constructed	Number	139.0	247.0	301.0	300.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of houses handed over to beneficiaries	Number	0.0	213.0	328.0	200.0	0.0	0.0	0.0	0.0	0.0	0.0
the registered beneficiaries i.e. studies plans-subs	Percentage/Number	778.0	813.0	0.0	0.0	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
within supplied frameworks	Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
supplied frameworks	Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
implemented	Number	0.00	9.00	10.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Development Model Plans approved	Number	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Vote 4 - Roads	Number	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Approval of budget	Date	2012/06/30	2013/06/30	2014/06/30	2015/06/30	2016/06/30	2017/06/30	2018/06/30	2019/06/30	2020/06/30	2021/06/30
Approval of Procurement plan	Date	1900/01/00	1900/01/00	2014/09/30	2015/09/30	2016/09/30	2017/09/30	2018/09/30	2019/09/30	2020/09/30	2021/09/30
Audit outcome	Date	unqualified	unqualified	unqualified	unqualified	unqualified	unqualified	unqualified	unqualified	unqualified	unqualified
Submission of AFS	Date	2012/08/31	2013/08/31	2014/08/31	2015/08/31	2016/08/31	2017/08/31	2018/08/31	2019/08/31	2020/08/31	2021/08/31
Capital projects identified for a particular financial year	Percentage	18.0%	48.0%	55.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% expenditure on operational budget	Percentage	18.0%	48.0%	55.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset management	Percentage/Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% revenue collection rate - Rates	Percentage	87.0%	103.0%	102.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Electricity	Percentage	87.0%	103.0%	102.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
% reduction of outstanding debtors	Percentage	0.0%	101.4%	99.1%	87.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%
% reduction in energy losses	Percentage	0.0%	81.0%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Ratio of Current Assets: Current Liabilities	Ratio	47.56:1	40.35:1	25.71:1	1.5:1	0.0	0.0	0.0	0.0	0.0	0.0
Revenue actually received for services	Ratio	0.00	44.28:1	28.81:1	0.5:1	0.0	0.0	0.0	0.0	0.0	0.0
- operating grants/ debt service payments	Ratio	12.71:1	0.24:1	9.36	0.15:1	0.0	0.0	0.0	0.0	0.0	0.0
Ratio : Total operating revenue divided by debt	Ratio	0.00	0.21:1	9.36	0.15:1	0.0	0.0	0.0	0.0	0.0	0.0
Vote 5 - Basic Services Delivery	Number	0.00	0.21:1	9.36	0.15:1	0.0	0.0	0.0	0.0	0.0	0.0
Capital Projects	Number	0.00	0.21:1	9.36	0.15:1	0.0	0.0	0.0	0.0	0.0	0.0
Nr of storm water infrastructure projects upgraded	Number	0.00	0.21:1	9.36	0.15:1	0.0	0.0	0.0	0.0	0.0	0.0
Infrastructure projects	Number	0.00	0.21:1	9.36	0.15:1	0.0	0.0	0.0	0.0	0.0	0.0

KZN292 Kwadukuza - Entities measurable performance objectives

1. Includes a measurable performance objective for each revenue source (within a relevant function) and each vote (M-FMA s 7(3)(b)).
2. Includes all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities.
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year's

[illegible]

KZN292 KwaDukuza - Supporting Table S48 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	Current Year 2015/16										2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	2013/14	2014/15	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year 2016/19	Budget Year +2 2018/19
Borrowing Management	Credit Rating	2.1%	2.6%	3.5%	3.2%	3.5%	3.5%	3.5%	3.5%	1.9%	2.3%	2.1%	2.5%	2.2%	0.0%
	Capital Charges to Operating Expenditure	2.1%	2.8%	3.8%	3.5%	3.9%	3.9%	3.9%	3.9%	3.5%	3.9%	2.1%	2.5%	2.2%	0.0%
	Borrowed funding of 'own' capital expenditure	51.5%	38.8%	52.8%	5.4%	15.9%	15.9%	15.9%	15.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Safety of Capital	443.3%	797.3%	1145.2%	1198.3%	1301.6%	1301.6%	1301.6%	1301.6%	1298.7%	1246.8%	1298.7%	1246.8%	1193.9%	1193.9%
	Liquidity	2.4	2.3	2.6	1.9	2.0	2.0	2.0	2.0	1.6	1.6	1.6	1.6	1.6	1.6
	Current Ratio	2.4	2.3	2.6	1.9	2.0	2.0	2.0	2.0	1.6	1.6	1.6	1.6	1.6	1.6
	Current Ratio adjusted for aged debtors	2.4	2.3	2.6	1.9	2.0	2.0	2.0	2.0	1.6	1.6	1.6	1.6	1.6	1.6
	Liquidity Ratio	2.1	1.9	2.1	1.2	1.4	1.4	1.4	1.4	1.0	0.9	1.0	0.9	0.8	0.8
	Revenue Management	100.1%	99.1%	94.0%	96.4%	95.7%	95.7%	95.7%	95.7%	95.7%	96.7%	95.7%	96.7%	93.6%	93.6%
	Annual Debtors Collection Rate (Payment Level %)	100.1%	99.1%	94.0%	96.4%	95.7%	95.7%	95.7%	95.7%	95.7%	96.7%	95.7%	96.7%	93.6%	93.6%
Other Indicators	Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)	100.1%	99.1%	94.0%	96.4%	95.7%	95.7%	95.7%	95.7%	95.7%	96.7%	95.7%	96.7%	93.6%	93.6%
	Outstanding Debtors to Revenue	9.5%	10.2%	10.6%	11.4%	13.0%	13.0%	13.0%	13.0%	11.8%	13.6%	11.8%	13.6%	16.4%	16.4%
	Longstanding Debtors Recovered	9.5%	10.2%	10.6%	11.4%	13.0%	13.0%	13.0%	13.0%	11.8%	13.6%	11.8%	13.6%	16.4%	16.4%
	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	9.5%	10.2%	10.6%	11.4%	13.0%	13.0%	13.0%	13.0%	11.8%	13.6%	11.8%	13.6%	16.4%	16.4%
	% of Creditors Paid Within Terms (within MPMA s.65(e))	30.2%	31.8%	33.2%	63.2%	60.7%	60.7%	60.7%	60.7%	85.3%	93.7%	85.3%	93.7%	106.1%	106.1%
	Creditors System Efficiency	30.2%	31.8%	33.2%	63.2%	60.7%	60.7%	60.7%	60.7%	85.3%	93.7%	85.3%	93.7%	106.1%	106.1%
	Creditors to Cash and Investments	30.2%	31.8%	33.2%	63.2%	60.7%	60.7%	60.7%	60.7%	85.3%	93.7%	85.3%	93.7%	106.1%	106.1%
	Other Indicators	30.2%	31.8%	33.2%	63.2%	60.7%	60.7%	60.7%	60.7%	85.3%	93.7%	85.3%	93.7%	106.1%	106.1%
	Electricity Distribution Losses (2)	Total Volume Losses (MW) % Volume (units sold)/units purchased and generated Total Cost of Losses (Rand '000)	30.2%	31.8%	33.2%	63.2%	60.7%	60.7%	60.7%	85.3%	93.7%	85.3%	93.7%	106.1%	106.1%
	Water Distribution Losses (2)	Total Volume Losses (M ³) % Volume (units sold)/units purchased and generated Total Cost of Losses (Rand '000)	20.7%	21.6%	21.8%	24.2%	23.1%	23.1%	23.1%	23.8%	23.7%	23.8%	23.7%	23.6%	23.6%
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.7%	21.6%	21.8%	24.2%	23.1%	23.1%	23.1%	23.1%	23.8%	23.7%	23.8%	23.7%	23.6%	23.6%
	Remuneration	22.3%	23.2%	23.3%	25.8%	24.7%	24.7%	24.7%	24.7%	25.3%	25.3%	25.3%	25.3%	25.1%	25.1%
	Repairs & Maintenance	6.5%	7.0%	6.8%	7.4%	7.6%	7.6%	7.6%	7.6%	7.0%	6.8%	7.0%	6.8%	6.8%	6.8%
	Finance charges & Depreciation	5.2%	5.9%	6.9%	7.7%	7.9%	7.9%	7.9%	7.9%	7.8%	7.2%	7.8%	7.2%	7.0%	7.0%
	ICP regulation (financial viability indicators)	24.8	20.1	24.4	24.7	24.7	24.7	24.7	24.7	25.9	26.5	25.9	26.5	28.4	28.4
	L. Debt coverage	12.0%	12.7%	13.4%	13.8%	15.7%	15.7%	15.7%	15.7%	14.1%	16.7%	14.1%	16.7%	20.2%	20.2%
	III. Cost coverage	9.3	8.5	7.8	3.4	4.4	4.4	4.4	4.4	3.1	2.8	3.1	2.8	2.5	2.5
	III. Cost coverage	9.3	8.5	7.8	3.4	4.4	4.4	4.4	4.4	3.1	2.8	3.1	2.8	2.5	2.5
	III. Cost coverage	9.3	8.5	7.8	3.4	4.4	4.4	4.4	4.4	3.1	2.8	3.1	2.8	2.5	2.5
	III. Cost coverage	9.3	8.5	7.8	3.4	4.4	4.4	4.4	4.4	3.1	2.8	3.1	2.8	2.5	2.5

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data	56 805	63 987	71 110	81 772	82 258	82 258	82 258	82 258	82 258	88 752	89 839	100 381
Debtors > 90 days	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Monthly fixed operational expenditure	67 699	81 284	152 871	277 527	281 116	281 116	281 116	281 116	281 116	234 909	126 522	127 326
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capital	34 845	81 284	152 871	277 527	281 116	281 116	281 116	281 116	281 116	234 909	126 522	127 326
Borrowing	67 699	81 284	152 871	277 527	281 116	281 116	281 116	281 116	281 116	234 909	126 522	127 326

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17 Medium Term Revenue & Expenditure Framework				
						2016/15	2016/16	2016/17	2016/18	2016/19
Demographics			168		231	Outcome	Outcome	Outcome	Outcome	Outcome
Population			231		48					
Females aged 5 - 14			30		21					
Males aged 5 - 14			33		21					
Females aged 15 - 34			48		33					
Males aged 15 - 34			48		33					
Unemployment			34.3		48					
Monthly household income (no. of households)	1, 12									
No income					0					
R1 - R1 800					0					
R1 801 - R3 200					0					
R3 201 - R6 400					0					
R6 401 - R12 800					0					
R12 801 - R25 600					0					
R25 601 - R51 200					0.30%					
R51 201 - R102 400					0.10%					
R102 401 - R204 800					0.10%					
R204 801 - R409 600					0.10%					
R409 601 - R819 200					0.10%					
> R819 200					0.10%					
Poverty profiles (no. of households)	13									
< R2 080 per household per month										
Insert description										
Household types (000)										
Number of people in municipal area										
Number of poor people in municipal area										
Number of households in municipal area										
Definition of poor household (R per month)										
Housing statistics	3									
Formal										
Informal										
Total number of households										
Dwellings provided by municipality	4									
Dwellings provided by private sector	5									
Total new housing dwellings										
Economic	6									
Labour/writing outlook (CPI)										
Interest rate - borrowing										
Interest rate - investment										
Remuneration increases										
Consumption growth (electricity)										
Consumption growth (water)										
Collection rates	7									
Property tax/service charges										
Rental of facilities & equipment										
Interest - external investments										
Interest - dividends										
Revenue from agency services										

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Municipal entity services	Rel.	Outcome	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
						Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	List type of FBS service	Rel.
Municipal entity services	Rel. <td data-kind="parent" data-rs="10">Outcome</td> <td data-kind="parent" data-rs="10">2012/13</td> <td data-kind="parent" data-rs="10">2013/14</td> <td data-kind="parent" data-rs="10">2014/15</td> <td data-kind="parent" data-rs="10">Original Budget</td> <td data-kind="parent" data-rs="10">Adjusted Budget</td> <td data-kind="parent" data-rs="10">Full Year Forecast</td> <td data-kind="parent" data-rs="10">Budget Year 2016/17</td> <td data-kind="parent" data-rs="10">Budget Year +1 2017/18</td> <td data-kind="parent" data-rs="10">Budget Year +2 2018/19</td> <td data-kind="ghost"></td> <td data-kind="ghost"></td>	Outcome	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19		
		List type of FBS service	Rel.										
Municipal entity services	Rel. <td data-kind="parent" data-rs="10">Outcome</td> <td data-kind="parent" data-rs="10">2012/13</td> <td data-kind="parent" data-rs="10">2013/14</td> <td data-kind="parent" data-rs="10">2014/15</td> <td data-kind="parent" data-rs="10">Original Budget</td> <td data-kind="parent" data-rs="10">Adjusted Budget</td> <td data-kind="parent" data-rs="10">Full Year Forecast</td> <td data-kind="parent" data-rs="10">Budget Year 2016/17</td> <td data-kind="parent" data-rs="10">Budget Year +1 2017/18</td> <td data-kind="parent" data-rs="10">Budget Year +2 2018/19</td> <td data-kind="parent" data-rs="10">List type of FBS service</td> <td data-kind="parent" data-rs="10">Rel.</td>	Outcome	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	List type of FBS service	Rel.
Municipal entity services	Rel. <td data-kind="parent" data-rs="10">Outcome</td> <td data-kind="parent" data-rs="10">2012/13</td> <td data-kind="parent" data-rs="10">2013/14</td> <td data-kind="parent" data-rs="10">2014/15</td> <td data-kind="parent" data-rs="10">Original Budget</td> <td data-kind="parent" data-rs="10">Adjusted Budget</td> <td data-kind="parent" data-rs="10">Full Year Forecast</td> <td data-kind="parent" data-rs="10">Budget Year 2016/17</td> <td data-kind="parent" data-rs="10">Budget Year +1 2017/18</td> <td data-kind="parent" data-rs="10">Budget Year +2 2018/19</td> <td data-kind="parent" data-rs="10">List type of FBS service</td> <td data-kind="parent" data-rs="10">Rel.</td>	Outcome	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	List type of FBS service	Rel.
Municipal entity services	Rel. <td data-kind="parent" data-rs="10">Outcome</td> <td data-kind="parent" data-rs="10">2012/13</td> <td data-kind="parent" data-rs="10">2013/14</td> <td data-kind="parent" data-rs="10">2014/15</td> <td data-kind="parent" data-rs="10">Original Budget</td> <td data-kind="parent" data-rs="10">Adjusted Budget</td> <td data-kind="parent" data-rs="10">Full Year Forecast</td> <td data-kind="parent" data-rs="10">Budget Year 2016/17</td> <td data-kind="parent" data-rs="10">Budget Year +1 2017/18</td> <td data-kind="parent" data-rs="10">Budget Year +2 2018/19</td> <td data-kind="parent" data-rs="10">List type of FBS service</td> <td data-kind="parent" data-rs="10">Rel.</td>	Outcome	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	List type of FBS service	Rel.
Municipal entity services	Rel. <td data-kind="parent" data-rs="10">Outcome</td> <td data-kind="parent" data-rs="10">2012/13</td> <td data-kind="parent" data-rs="10">2013/14</td> <td data-kind="parent" data-rs="10">2014/15</td> <td data-kind="parent" data-rs="10">Original Budget</td> <td data-kind="parent" data-rs="10">Adjusted Budget</td> <td data-kind="parent" data-rs="10">Full Year Forecast</td> <td data-kind="parent" data-rs="10">Budget Year 2016/17</td> <td data-kind="parent" data-rs="10">Budget Year +1 2017/18</td> <td data-kind="parent" data-rs="10">Budget Year +2 2018/19</td> <td data-kind="parent" data-rs="10">List type of FBS service</td> <td data-kind="parent" data-rs="10">Rel.</td>	Outcome	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	List type of FBS service	Rel.

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Water	Ref.	Location of households for each type of FBS										
		Total cost of FBS - Electricity for informal settlements	12 158	14 526	12 915	16 054	16 573	16 500	16 573	15 573	14 853	
List type of FBS service	Ref.	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Other (R'000)	Number of HH receiving this type of FBS	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Informal settlements targeted for upgrading (R'000)	Number of HH receiving this type of FBS	Informal settlements (R'000)	Number of HH receiving this type of FBS	
		Formal settlements - (6 kilowatt per indigent household per month R'000)	Number of HH receiving this type of FBS	Informal settlements (R'000)	Number of HH receiving this type of FBS	Informal settlements targeted for upgrading (R'000)	Number of HH receiving this type of FBS	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Other (R'000)	Number of HH receiving this type of FBS	
Sanitation												
List type of FBS service	Ref.	Formal settlements - (free sanitation service to indigent households)	Number of HH receiving this type of FBS	Informal settlements (R'000)	Number of HH receiving this type of FBS	Informal settlements targeted for upgrading (R'000)	Number of HH receiving this type of FBS	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Other (R'000)	Number of HH receiving this type of FBS	
		Location of households for each type of FBS	Total cost of FBS - Water for informal settlements	12 915	12 078	16 573	16 573	16 500	16 573	16 573	14 853	
House Removal												
List type of FBS service	Ref.	Formal settlements - (removed once a week to indigent households)	Number of HH receiving this type of FBS	Informal settlements (R'000)	Number of HH receiving this type of FBS	Informal settlements targeted for upgrading (R'000)	Number of HH receiving this type of FBS	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Other (R'000)	Number of HH receiving this type of FBS	
		Location of households for each type of FBS	Total cost of FBS - Sanitation for informal settlements	12 915	12 078	16 573	16 573	16 500	16 573	16 573	14 853	
Refuse Removal												
List type of FBS service	Ref.	Formal settlements - (removed once a week to indigent households)	Number of HH receiving this type of FBS	Informal settlements (R'000)	Number of HH receiving this type of FBS	Informal settlements targeted for upgrading (R'000)	Number of HH receiving this type of FBS	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Other (R'000)	Number of HH receiving this type of FBS	
		Location of households for each type of FBS	Total cost of FBS - Sanitation for informal settlements	12 915	12 078	16 573	16 573	16 500	16 573	16 573	14 853	
List type of FBS service												
List type of FBS service	Ref.	Formal settlements - (removed once a week to indigent households)	Number of HH receiving this type of FBS	Informal settlements (R'000)	Number of HH receiving this type of FBS	Informal settlements targeted for upgrading (R'000)	Number of HH receiving this type of FBS	Living in informal backyard rental agreement (R'000)	Number of HH receiving this type of FBS	Other (R'000)	Number of HH receiving this type of FBS	
		Location of households for each type of FBS	Total cost of FBS - Sanitation for informal settlements	12 915	12 078	16 573	16 573	16 500	16 573	16 573	14 853	
Total cost of FBS - Refuse Removal for informal settlements												
Total cost of FBS - Refuse Removal for informal settlements												

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimates based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance < 200m from dwelling
9. Stand distance > 200m from dwelling

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Description	MFA section	Ref	Funding measures									
			2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year 4+2 2018/19
Cash + investments at the year end - R'000	18(1)b	1	528 947	542 371	540 391	280 890	363 286	363 286	363 286	272 490	261 386	254 364
Cash year end/monthly employee/supplier payments	18(1)b	3	93	85	76	34	44	290 577	290 577	110 162	91 382	78 555
Supplies/Deficit) excluding depreciation offsets: R'000	18(1)	4	157 481	131 569	176 980	97 846	78 287	78 287	78 287	92 476	116 090	122 900
Service charge rev % of Ratepayer & Other revenue	18(1)a,(2)	5	N.A.	4.8%	1.8%	7.4%	(6.0%)	(6.0%)	(6.0%)	2.7%	1.2%	1.4%
Cash receipt % of Ratepayer & Other revenue	18(1)a,(2)	6	119.3%	101.6%	91.4%	93.8%	92.3%	92.3%	92.3%	93.5%	90.2%	89.3%
Debit impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.3%	1.9%	1.9%	1.1%	3.5%	3.5%	3.5%	3.2%	3.1%	2.9%
Capital payments % of capital expenditure	18(1)c,(19)	8	82.8%	101.3%	93.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	40.5%	38.7%	48.1%	6.2%	15.7%	15.7%	15.7%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	N.A.	16.9%	14.0%	14.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - (increased)	18(1)a	11	N.A.	(1.4%)	7.0%	359.7%	0.0%	0.0%	0.0%	(2.4%)	26.7%	30.0%
Long term receivables % change - (increased)	18(1)a	12	N.A.	7.5%	5.1%	6.0%	5.3%	5.3%	5.2%	4.6%	4.7%	4.7%
RAH % of Property Plant & Equipment	20(1)(iv)	13	7.5%	7.0%	5.1%	6.0%	5.3%	5.3%	5.2%	4.6%	4.7%	4.7%
Asset renewal % of capital budget	20(1)(iv)	14	33.2%	29.1%	14.9%	25.7%	30.0%	30.0%	0.0%	20.1%	15.8%	18.4%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National Treasury allocations included in budget
11. Indicative of realistic current arrears debtors collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrears debtors collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

KZN292 Kwadukuzi - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resid.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Current Year 2015/16																	
Valuation:																	
No. of properties		24 631	686														
No. of sectional title property values		7 993	733														
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (R/m)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%																	
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)		<1	<1														
Method of valuation used (select)		4	4														
Method of valuation used (select)		Market	Market														
Base of valuation (select)		Land & impr.	Land & impr.														
Phrasing in properties s21 (number)																	
Combination of rating types used? (Y/N)		Yes	Yes														
Flat rate used? (Y/N)		Yes	Yes														
Is balance raised by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (R/m)																	
Valuation reductions-nature reserves/park (R/m)																	
Valuation reductions-mineral rights (R/m)																	
Valuation reductions-R15,000 threshold (R/m)		412															
Valuation reductions-public worship (R/m)																	
Valuation reductions-other (R/m)		1 919															
Total valuation reductions:																	
Total value used for rating (R/m)	6	36 853	4 697														
Total land value (R/m)	6																
Total value of improvements (R/m)	6																
Total market value (R/m)	6	36 174	4 697														
Rating:																	
Average rate																	
Rate revenue budget (R '000)	3	0,005990	0,018540														
Rate revenue expected to collect (R'000)		225 032	58 642														
Rate revenue expected to collect (R'000)		188 774	43 907														
Expected cash collection rate (%)	4	75,0%	75,0%														
Special rating areas (R'000)			7 449														
Relates, exemptions - indigent (R'000)																	
Relates, exemptions - pensioners (R'000)		3 440															
Relates, exemptions - bona fide farm. (R'000)																	
Relates, exemptions - other (R'000)		35 229	24 270														
Phase-in reductions/discourts (R'000)																	
Total relates, exemptions, reductions/discs (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is three value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10,26 cents in the Rand is 0,1026, expressed to 6 decimal places maximum
4. Include areas collectors
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

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KZN292 Kwadukuzi - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Real.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public services infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(b) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Budget Year 2016/17																	
Valuation:																	
No. of properties		24 058	728		1 866	29	1 293	143		-			2 722		1	112	
No. of sectional title property values		8 283	775				80										
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (R/m)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections																	
No. of successful objections > 10%																	
Estimated no. of properties not valued																	
Years since last valuation (select)		<1	<1		<1	<1	<1	<1					<1		<1	<1	
Frequency of valuation (select)		4	4		4	4	4	4					4		4	4	
Method of valuation used (select)		Market	Market		Market	Market	Market	Market					Market		Market	Market	
Base of valuation (select)		Land & Imp.	Land & Imp.		Land & Imp.	Land & Imp.	Land & Imp.	Land & Imp.					Land & Imp.		Land & Imp.	Land & Imp.	
Phrasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		Yes	Yes		Yes	Yes	Yes	Yes					Yes		Yes	Yes	
Flat rate used? (Y/N)		Yes	Yes		Yes	Yes	Yes	Yes					Yes		Yes	Yes	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (R/m)								963									
Valuation reductions-nature reserves/park (R/m)																	
Valuation reductions-mineral rights (R/m)		431															
Valuation reductions-R15,000 threshold (R/m)																	
Valuation reductions-public worship (R/m)																	
Valuation reductions-other (R/m)		1 961															
Total valuation reductions:																	
Total value used for rating (R/m)		36 615	5 078		3 486	294	592	2 247					1 143		2	164	
Total land value (R/m)		6															
Total value of improvements (R/m)		6															
Total market value (R/m)		6	38 006	5 078	3 486	294	592	3 210					1 143		2	164	
Ratting:																	
Average rate																	
Rate revenue budget (R'000)		0.006350	0.019650		0.001590	0.019650	0.019650	0.001590					0.006350		0.006350	0.019650	
Rate revenue expected to collect (R'000)		234 445	88 751		2 805	5 427	-	2 005					-		-		
Expected cash collection rate (%)		211 000	79 676		2 345	4 884	-	1 805									
Special rating areas (R'000)		4	7 500														
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide fam. (R'000)		4 548															
Rebates, exemptions - other (R'000)		34 982	8 586		2 888	346	11 443	1 583					7 257		13	3 215	
Phase-in reductions/discourts (R'000)								5									
Total rebates, exemptions, discounts (R'000)																	

References:

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is free value greater than MPRA minimum.
3. Average rate - cents in the Rand, Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

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Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework																		
		Audited Outcome 2012/13	Audited Outcome 2013/14	Audited Outcome 2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year 2016/17	Budget Year 2016/17	Budget Year +1 2017/18									
2016/17 Medium Term Revenue & Expenditure Framework	Rel	Monthly Account for Household - 'Middle Income'	sub-total	1	Property rates	3 228	3 420	3 594	3 378	3 378	3 378	6%	8%	8%	3 581.40	3 796.28	4 024.06			
					Electricity: Basic levy															
					Electricity: Consumption															
					Water: Basic levy															
					Water: Consumption															
					Sanitation															
					Refuse removal															
					Other															
					VAT on Services															
					Total large household bill:	3 228.00	3 420.00	3 594.00	3 378.36	3 378.36	3 378.36	8 843 878.4%	8 843 878.4%	298 781 430.06	3 796.28	4 024.06				
% increase/decrease																				
2016/17 Medium Term Revenue & Expenditure Framework	Rel	Monthly Account for Household - 'Affordable Range'	sub-total	2	Property rates	2 152	2 280	2 396	2 252	2 252	2 252	0	7.6%	7.6%	2 387.60	2 530.86	2 682.71			
					Electricity: Basic levy															
					Electricity: Consumption															
					Water: Basic levy															
					Water: Consumption															
					Sanitation															
					Refuse removal															
					Other															
					VAT on Services															
					Total small household bill:	2 152	2 280	2 396	2 252	2 252	2 252	174 269	392 487 368	2 530.86	2 682.71					
% increase/decrease																				
2016/17 Medium Term Revenue & Expenditure Framework	Rel	Monthly Account for Household - 'Indigent'	sub-total	3	Property rates	1 076	1 140	1 198	1 126	1 126	1 126	0	1 193.80	1 265.43	1 341.35					
					Electricity: Basic levy															
					Electricity: Consumption															
					Water: Basic levy															
					Water: Consumption															
					Sanitation															
					Refuse removal															
					Other															
					VAT on Services															
					Total small household bill:	1 076.00	1 140.00	1 198.00	1 126.12	1 126.12	1 126.12	3 179 249.4%	35 803 290	1 265.43	1 341.35					
% increase/decrease																				

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water

2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Use as basis property value of R300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

1. Total investments must reconcile to Budgeted Financial Position (current call investment deposits plus 'non-current' investments).

KZN292 KwaDukuza - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment
Name of Institution & Investment ID	1	Yrs/Months							
Parent municipality									
FNB (Money Market) 62098617743				Yes	Fixed	0.0415	0	0	30 June 2017
ABSA Bank 20688720699				Yes	Fixed	0.076	0	0	30 June 2017
ABSA Bank 2068912186				Yes	Fixed	0.076	0	0	30 June 2017
ABSA Bank 2070596495				Yes	Fixed	0.076	0	0	30 June 2017
ABSA Bank 2070824953				Yes	Fixed	0.076	0	0	30 June 2017
ABSA Bank 2072795649				Yes	Fixed	0.0695	0	0	30 June 2017
ABSA Bank 2073097787				Yes	Fixed	0.078	0	0	30 June 2017
ABSA Bank 2073166734				Yes	Fixed	0.073	0	0	30 June 2017
ABSA Bank 2074191310				Yes	Fixed	0.0695	0	0	30 June 2017
FNB ELECTRICITY RESERVE 62288308672				Yes	Fixed	0.034	0	0	30 June 2017
FNB ELECTRICITY ACCOUNT 62288308147				Yes	Fixed	0.034	0	0	30 June 2017
FNB 62363519251				Yes	Fixed	0.034	0	0	30 June 2017
INVESTEC 1100-482666-452				Yes	Fixed	0.075	0	0	30 June 2017
INVESTEC 1100-482666-453				Yes	Fixed	0.0672	0	0	30 June 2017
INVESTEC 1100-482666-454				Yes	Fixed	0.0698	0	0	30 June 2017
INVESTEC 1100-482666-455				Yes	Fixed	0.0628	0	0	30 June 2017
INVESTEC 1100-482666-451				Yes	Fixed	0.0766	0	0	30 June 2017
Nedbank 03/7881022337/157				Yes	Fixed	0.0598	0	0	30 June 2017
Nedbank 31337173-9975				Yes	Fixed	0.05	0	0	30 June 2017
Nedbank 41299507-9992				Yes	Fixed	0.0675	0	0	30 June 2017
Standard Bank 058756442-077				Yes	Fixed	0.0728	0	0	30 June 2017
Standard Bank 058756442-075				Yes	Fixed	0.0728	0	0	30 June 2017
Standard Bank 058756442-074				Yes	Fixed	0.0728	0	0	30 June 2017
Standard Bank 055756442-076				Yes	Fixed	0.0728	0	0	30 June 2017
Standard Bank 058756442-079				Yes	Fixed	0.0705	0	0	30 June 2017
Standard Bank 058756442-078				Yes	Fixed	0.0695	0	0	30 June 2017
Standard Bank 058756442-073				Yes	Fixed	0.071	0	0	30 June 2017
Investec 1100-482666-456				Yes	Fixed	0.0728	0	0	30 June 2017
First National Bank (12 months) 71186421337				Yes	Fixed	0.074	0	0	30 June 2017
Nedbank (12 months) 31337173-9970				Yes	Fixed	0.065	0	0	30 June 2017
Standard Bank 058756442-080				Yes	Fixed	0.0872	0	0	30 June 2017
NBS (Nedbank) 9996 19832841				Yes	Fixed	0.0455	0	0	30 June 2017
NBS (Nedbank) 9997 19832841				Yes	Fixed	0.0455	0	0	30 June 2017
FNB (Saambou) 71039219855				Yes	Fixed	0.0649	0	0	30 June 2017
INVESTMENT HOA 62288159660				Yes	Fixed	0.04	0	0	30 June 2017
INVEST GROUDEVILLE PRIORITY 1 62288308135				Yes	Fixed	0.04	0	0	30 June 2017
INVEST STEVE BIKO 62288163215				Yes	Fixed	0.04	0	0	30 June 2017
INVEST SHAYAMOYA 62288305230				Yes	Fixed	0.04	0	0	30 June 2017

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Municipality sub-total

Enriching

Yes

Fixed

0.04

30 June 2017

Entities sub-total:**TOTAL INVESTMENTS AND INTEREST**

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References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order

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Borrowing - Categorized by type	Ref	R thousand									
		Audited 2012/13	Audited 2013/14	Audited 2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Parent municipality	1	4 754	3 828	2 828	1 753	1 753	1 753	598	-	-	
		77 444	144 004	209 512	220 049	239 572	239 572	240 194			
		Long-Term Loans (annuity/reducing balance)									
		Long-Term Loans (non-annuity)									
		Local registered stock									
		Installment Credit									
		Financial Leases									
		PPP liabilities									
		Finance Granted By Cap Equipment Supplier									
		Marketable Bonds									
		Non-Marketable Bonds									
		Bankers Acceptances									
		Other Securities									
		Municipality sub-total									
		82 198	147 832	212 342	221 802	241 325	241 325	240 792	231 124	221 365	
Entities	1										
		Long-Term Loans (annuity/reducing balance)									
		Long-Term Loans (non-annuity)									
		Local registered stock									
		Installment Credit									
		Financial Leases									
		PPP liabilities									
		Finance Granted By Cap Equipment Supplier									
		Marketable Bonds									
		Non-Marketable Bonds									
		Bankers Acceptances									
		Financial derivatives									
		Other Securities									
		Entities sub-total									
Total Borrowing		82 198	147 832	212 342	221 802	241 325	240 792	231 124	221 365		

Unspent Borrowing - Categorized by type	Parent municipality		Municipality sub-total		Entities		Total Unspent Borrowing						
	Long-Term Loans (annuity/reducing balance)	Long-Term Loans (non-annuity)	Local registered stock	Installment Credit	Financial Leases	PPP liabilities	Finance Granted By Cap Equipment Supplier	Marketable Bonds	Non-Marketable Bonds	Bankers Acceptances	Financial derivatives	Other Securities	Entities sub-total
1	1	1	1	1	1	1	1	1	1	1	1	1	1
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
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1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

Description	Ref	RECEIPTS:											R thousand
		Audited Outcome	2012/13	2013/14	2014/15	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Operating Transfers and Grants	1, 2	93 699	103 082	96 956	111 119	117 219	117 219	117 219	122 119	136 487	150 541	146 463	
		72 649	77 550	71 677	105 352	105 352	105 352	105 352	116 642	132 042	146 463		
		800	890	834	450	450	450	450					
		Municipal Systems Improvement	1 500	1 550	1 700	1 400	1 400	1 400	1 725	1 800	1 285		
		Finance Management	1 000	1 000	1 248	1 418	1 418	1 418	1 285				
		MIG Funded PAU Costs	1 750	2 092	1 397	2 499	2 499	2 499	2 467	2 645	2 793		
		MIG Transfer To Ilembe	16 000	20 000	20 000	-	6 100	6 100	6 100	-	-	-	
		Provincial Government:	9 807	8 187	9 557	8 448	6 064	6 064	6 064	8 369	8 417	8 870	
		Health subsidy	1 205	-	-	-	-	-	-	-	-	-	
		Sport and Recreation	150	-	-	-	-	-	-	-	-	-	
		Provisionalisation of Libraries	1 281	2 690	2 800	2 894	2 894	2 894	2 894	2 929	3 045	3 206	
		Tusong Centre	134	284	151	166	166	166	166	175	184	193	
Museum Subsidy	Community Library Service Grant	191	240	252	510	510	510	537	565	593			
MPCC	Community Participation in IDP	-	-	-	-	-	-	-	-	-			
Housing Accreditation	6 846	4 973	6 354	4 878	2 494	2 494	2 494	4 728	4 623	4 878			
District Municipality:	314	-	346	-	-	-	-	-	-	-			
Ilembe Shared Services	314	-	346	-	-	-	-	-	-	-			
Other grant providers: (insert description)	-	-	-	-	-	-	-	-	-	-			
Total Operating Transfers and Grants	5	103 820	111 259	106 859	119 567	123 283	123 283	123 283	130 488	144 904	159 411		
Capital Transfers and Grants		28 306	47 749	30 129	81 772	74 165	74 165	74 165	67 864	72 113	63 066		
National Government: (MIG)		17 398	19 749	26 544	47 485	48 385	48 385	48 385	46 864	50 246	53 066		
Neighbourhood Development Partnership		2 907	23 000	3 585	15 507	7 000	7 000	7 000	11 000	8 867	-		
Electricity Demand Side Management Grant		8 000	-	-	-	-	-	-	-	-	-		
Integrated National Electrification Programme		-	5 000	-	18 000	18 000	18 000	18 000	10 000	13 000	10 000		
Municipal Systems Improvement		-	-	-	300	480	480	480	-	-	-		
Finance Management		-	-	-	1 545	1 590	1 590	1 590	385	255	-		
CBD Revaluation Grant		1 996	5 563	8 000	1 545	1 590	1 590	1 590	385	255	-		
Corridor Funding		133	64	5 000	-	-	-	-	-	-	-		
Rehab Of KwaDukuza Museum		1 229	4 208	-	-	-	-	-	-	-	-		
Small Town Rehabilitation		534	87	-	-	-	-	-	-	-	-		
Housing Accreditation		-	-	3 000	-	-	-	-	-	-	-		
Beach Rehab Grant		-	-	-	545	590	590	590	385	255	-		
District Municipality:		-	1 204	-	1 000	1 000	1 000	1 000	-	-	-		
Ilembe Shared Services		-	-	-	-	-	-	-	-	-	-		
Other grant providers: Revenue Enhancement Grant (I/F-A-Sport Facilities)		-	-	4 500	-	-	-	-	-	-	-		
Total Capital Transfers and Grants	5	30 202	63 312	42 629	83 317	75 755	75 755	75 755	68 249	72 368	63 066		
		134 022	164 580	149 488	202 884	199 038	199 038	199 038	196 736	217 272	222 477		
		TOTAL RECEIPTS OF TRANSFERS & GRANTS											

1. Expenditure must be separately listed for each transfer or grant received or recognised

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Description	Ref	R thousand										
		2012/13	2013/14	2014/15	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	2016/17 Medium Term Revenue & Expenditure Framework	
Operating transfers and grants:	1,3	93 689	103 082	112 956	111 119	117 519	117 519	117 519	122 119	136 487	150 541	
		Balance unspent at beginning of the year	-	-	7 039	-	-	-	-	-	-	-
		Current year receipts	93 689	103 082	112 956	111 119	117 519	117 519	117 519	122 119	136 487	150 541
		Conditions met - transferred to revenue	91 951	95 382	119 995	111 119	117 519	117 519	117 519	122 119	136 487	150 541
		Conditions still to be met - transferred to liabilities	1 749	7 700	-	-	-	-	-	-	-	-
		Provincial Government:	-	-	-	-	-	-	-	-	-	-
		Balance unspent at beginning of the year	-	-	13 489	-	17 860	17 860	17 860	17 860	17 860	17 860
		Current year receipts	9 807	8 187	6 140	7 903	6 064	6 064	6 064	6 064	6 064	6 064
		Conditions met - transferred to revenue	3 391	4 748	19 629	7 903	23 924	23 924	23 924	23 924	23 924	23 924
		Conditions still to be met - transferred to liabilities	6 416	3 439	-	-	-	-	-	-	-	-
District Municipality:	1,3	314	314	346	346	-	-	-	-	-	-	
		Balance unspent at beginning of the year	-	12	346	-	-	-	-	-	-	-
		Current year receipts	314	-	-	-	-	-	-	-	-	-
		Conditions met - transferred to revenue	314	12	346	-	-	-	-	-	-	-
		Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-	-
		Other grant providers:	-	-	-	-	-	-	-	-	-	-
		Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-	-
		Current year receipts	-	-	-	-	-	-	-	-	-	-
		Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-	-
		Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	95 656	100 142	139 970	119 022	141 444	141 444	141 444	130 488	144 904	159 411	
		Capital transfers and grants:	8 164	11 139	-	-	-	-	-	-	-	-
		National Government:	28 306	47 749	41 490	81 772	74 165	74 165	74 165	67 864	72 113	63 066
		Balance unspent at beginning of the year	-	-	26 541	-	-	-	-	-	-	-
		Current year receipts	19 184	35 840	55 945	81 772	74 165	74 165	74 165	67 864	72 113	63 066
		Conditions met - transferred to revenue	19 184	35 840	55 945	81 772	74 165	74 165	74 165	67 864	72 113	63 066
		Conditions still to be met - transferred to liabilities	9 122	11 909	12 085	81 772	74 165	74 165	74 165	67 864	72 113	63 066
		Provincial Government:	1 896	5 663	17 049	-	-	-	-	-	-	-
		Balance unspent at beginning of the year	1 896	5 663	17 049	-	-	-	-	-	-	-
		Current year receipts	1 829	5 670	17 049	1 545	1 590	1 590	1 590	1 590	1 590	1 590
Total capital transfers and grants - CTBM	2	21 012	41 509	77 495	83 317	75 755	75 755	75 755	68 249	72 358	63 066	
		Conditions met - transferred to revenue	21 012	41 509	77 495	83 317	75 755	75 755	75 755	68 249	72 358	63 066
		Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-	-
		Other grant providers:	-	-	-	-	-	-	-	-	-	-
		Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-	-
		Current year receipts	-	-	-	-	-	-	-	-	-	-
		Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-	-
		Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-	-
		District Municipality:	67	-	-	-	-	-	-	-	-	-
		Balance unspent at beginning of the year	67	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		116 668	141 651	217 465	202 339	217 198	217 198	217 198	198 736	217 272	222 477	
		17 354	23 049	12 085	-	-	-	-	-	-	-	
References		1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance										
		2. CTBM = conditions to be met										
		3. National Treasury database will require this reconciliation for each transfer/grant										

R thousands	Description	Ref	Current Year 2016/16						2016/17 Medium Term Revenue & Expenditure Framework					
			Audited Outcome 2013/14	Audited Outcome 2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19			
1	Cash Transfers to other municipalities	Transfer to Member	20 620	20 752	6 100	6 100	6 100	6 100						
	Total Cash Transfers to Municipalities:		20 620	20 752	-	6 100	6 100	6 100						
	Cash Transfers to other Organs of State		-	-	-	-	-	-						
2	Cash Transfers to Entities/Other External Mechanisms		-	-	-	-	-	-						
	Total Cash Transfers to Entities/Other External Mechanisms		-	-	-	-	-	-						
	Cash Transfers to other Organs of State		-	-	-	-	-	-						
3	Cash Transfers to other Organs of State		-	-	-	-	-	-						
	Total Cash Transfers to Other Organs Of State:		-	-	-	-	-	-						
	Cash Transfers to Organisations		-	-	-	-	-	-						
	Total Cash Transfers to Organisations		-	-	-	-	-	-						
	Cash Transfers to Groups of Individuals	External Bursary	282	271	500	500	500	500	490	520	551			
	Total Cash Transfers to Groups Of Individuals:		282	271	500	500	500	500	490	520	551			
TOTAL CASH TRANSFERS AND GRANTS			20 912	8 799	20 752	500	6 600	6 600	490	520	551			
1	Non-Cash Transfers to other municipalities		-	-	-	-	-	-						
	Total Non-Cash Transfers to Municipalities:		-	-	-	-	-	-						
	Non-Cash Transfers to Entities/Other External Mechanisms		-	-	-	-	-	-						
2	Non-Cash Transfers to Entities/Other External Mechanisms		-	-	-	-	-	-						
	Total Non-Cash Transfers to Entities/Other External Mechanisms		-	-	-	-	-	-						
	Non-Cash Transfers to other Organs of State		-	-	-	-	-	-						
3	Non-Cash Transfers to other Organs of State		-	-	-	-	-	-						
	Total Non-Cash Transfers to Other Organs Of State:		-	-	-	-	-	-						
	Non-Cash Grants to Organisations		-	-	-	-	-	-						
4	Non-Cash Grants to Organisations		-	-	-	-	-	-						
	Total Non-Cash Grants to Organisations		-	-	-	-	-	-						
	Non-Cash Grants to Individuals		-	-	-	-	-	-						
TOTAL NON-CASH TRANSFERS AND GRANTS			21 003	24 279	41 994	39 514	39 514	39 514	41 946	44 227	46 876			
TOTAL TRANSFERS AND GRANTS			41 916	33 077	20 752	42 494	46 114	46 114	42 336	44 747	47 427			

Notes:

1. Insert description listed by municipal name and demarcation code of recipient

2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)

3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)

4. Insert description of each other organisation (e.g. charity)

5. Insert description of each other organisation (e.g. the aged, child-headed households)

6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

[illegible]

Disclosures of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance	Bonuses	In-kind benefits	Total Package
2.				1.					
Councillors	3		500 570	190 037	179 608	231 752			690 607
Speaker			469 285						648 893
Chief Whip			625 714						857 466
Executive Mayor			500 570						690 607
Deputy Executive Mayor			4 661 567						6 447 224
Executive Committee			8 200 013						11 900 061
Total for all other councillors	4		14 967 719	3 700 048	1 785 657				21 234 958
Total Councillors	8				6 277 139				
Senior Managers of the Municipality	5		1 331 626	241 779	143 041	133 391			1 849 837
Municipal Manager (MM)			1 054 344	330 237	369 789	118 601			1 872 971
ED: CORPORATE GOVERNANCE			810 794	226 814	218 196	72 601			1 328 406
ED: CORPORATE SERVICES			1 064 216	2 020	134 433	92 817			1 293 486
ED: EDP			893 492	239 446	128 184	81 893			1 343 015
ED: MUNICIPAL SERVICES			1 080 691	196 598	281 315	90 058			1 648 662
List of each official with packages >= senior manager			1 064 379	2 020	134 277	92 818			1 293 494
ED: MUNICIPAL SAFETY			901 578	164 360	137 708	92 792			1 296 428
ED: TECHNICAL SERVICES (CIVIL)			1 064 379	2 020	134 277	92 818			1 293 494
ED: TECHNICAL SERVICES (ELECTRICITY)									
Total Senior Managers of the Municipality	8,10	-	9 265 499	1 405 284	1 681 220	867 789			13 219 792
A Heading for Each Entity	6,7								
List each member of board by designation									
Total for municipal entities	8,10	-	-	-	-	-			-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	24 223 218	1 405 284	7 958 359	867 789			34 454 650

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMAS 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MFMAS 5.7)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

KZN292 KwaDukuza - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2014/15		Current Year 2015/16		Budget Year 2016/17	
Number	Ref	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities							
Councillors (Political Office Bearers plus Other Councillors)							
Board Members of municipal entities							
Municipal employees	4	53	7	46	53	10	43
Municipal Manager and Senior Managers	5						
Other Managers	3	7	6	1	7	7	4
Professionals	7						
Finance		169	149	20	153	123	30
Spatial/town planning		18	18	-	24	24	-
Information Technology		15	15	-	15	15	-
Roads		2	2	-	2	2	-
Electricity		5	5	-	5	5	-
Water		9	9	-	9	9	-
Sanitation							
Refuse		3	3	-	3	-	-
Other		117	97	20	95	65	30
Technicians		560	547	13	560	547	103
Finance		27	22	5	27	22	5
Spatial/town planning		5	5	2	5	5	2
Information Technology		4	2	2	4	2	2
Roads		39	33	6	39	33	11
Electricity		-	-	-	-	-	-
Water		-	-	-	-	-	-
Sanitation		-	-	-	-	-	-
Refuse		-	-	-	-	-	-
Other		485	485	50	485	485	85
Clerks (Clerical and administrative)		300	250		116	100	16
Service and sales workers							
Skilled agricultural and fishery workers							
Craft and related trades							
Plant and Machine Operators							
Elementary Occupations		131	75	56	126	85	41
TOTAL PERSONNEL NUMBERS	9	1 220	1 034	186	1 015	865	150
% increase					(16.8%)	(16.3%)	(19.4%)
Total municipal employees headcount	6, 10						
Finance personnel headcount	8, 10						
Human Resources personnel headcount	8, 10						

KZN292 KwaDukuza - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																
Property rates		-	43 280	30 296	30 286	30 286	30 296	30 286	30 286	30 296	30 286	30 286	30 286	346 237	367 707	391 603
Property rates - penalties & collection charges		1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	12 106	12 832	13 640
Service charges - electricity revenue		56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	680 824	733 844	792 735
Service charges - water revenue														-	-	-
Service charges - sanitation revenue														-	-	-
Service charges - refuse revenue														-	-	-
Service charges - other														-	-	-
Rental of facilities and equipment														-	-	-
Interest earned - external investments														-	-	-
Interest earned - outstanding debtors														-	-	-
Dividends received														-	-	-
Fines														-	-	-
Licences and permits														-	-	-
Agency services														-	-	-
Transfers recognised - operational														-	-	-
Other revenue														-	-	-
Gains on disposal of PPE														-	-	-
Total Revenue (excluding capital transfers and contribution)		81 211	124 490	115 041	111 507	111 507	115 041	111 507	111 507	115 041	111 507	111 507	142 556	1 362 421	1 462 717	1 572 800
Expenditure By Type																
Employee related costs		27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	323 610	346 910	370 847
Remuneration of councillors		1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	21 235	22 764	24 334
Debt impairment		444	444	444	444	444	444	444	444	444	444	444	444	35 977	36 640	37 343
Depreciation & asset impairment														78 750	82 691	87 073
Finance charges		2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	24 697	25 354	26 011
Bulk purchases		43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	528 514	569 738	615 317
Other materials		3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	42 885	45 649	48 119
Contracted services		2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	30 297	31 826	33 520
Transfers and grants		2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	42 336	44 747	47 427
Other expenditure		15 686	15 686	15 686	15 686	15 686	15 686	15 686	15 686	15 686	15 686	15 686	15 686	209 389	214 200	225 075
Loss on disposal of PPE		41	41	41	41	41	41	41	41	41	41	41	41	404	525	556
Total Expenditure		99 692	99 692	115 630	99 692	99 692	115 630	99 692	99 692	115 630	99 692	100 840	192 617	1 338 193	1 418 996	1 512 966
Surplus/(Deficit)		(18 482)	24 798	(589)	11 814	11 814	(589)	11 814	11 814	(589)	11 814	10 666	(50 060)	24 227	43 721	59 834
Transfers recognised - capital			7 000	8 986	11 779	9 420	6 300	6 470	9 284	3 500	4 150	1 350	-	68 249	72 368	63 068
Contributed assets														-	-	-
Surplus/(Deficit) after capital transfers & contributions		(18 482)	31 798	8 399	23 593	21 234	5 711	18 264	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/(deficit) of associate														-	-	-
Surplus/(Deficit)		(18 482)	31 798	8 399	23 593	21 234	5 711	18 264	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN292 KwaDukuza - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Municipal Manager		112	5 112	4 112	2 112	112	112	112	112	112	112	112	111	12 942	8 928	64
Vote 2 - Corporate Services		6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	74 160	87 012	98 596
Vote 3 - Finance		4 024	47 304	34 320	34 320	34 320	34 320	34 320	34 320	34 320	34 320	34 320	34 320	394 525	418 545	445 015
Vote 4 - Economic Development Planning		1 779	1 779	1 794	2 029	1 889	1 779	1 779	1 779	1 779	1 779	1 779	1 887	21 847	22 549	23 822
Vote 5 - Municipal Services: Community Services		9 719	11 719	11 519	11 219	11 219	11 719	9 719	9 719	9 719	9 719	9 719	(9 288)	106 445	118 504	116 637
Vote 6 - Municipal Services: Community Safety		220	220	220	5 720	5 720	4 520	5 180	9 014	3 720	4 370	1 570	5 913	46 400	49 184	52 282
Vote 7 - Civil Engineering		59 172	59 172	65 878	61 701	61 472	82 707	60 672	59 672	62 707	59 172	59 172	(630 796)	40 705	38 077	49 444
Vote 8 - Electrical Engineering		3	3	3	3	3	3	3	3	3	3	3	734 171	734 207	792 247	850 163
Vote 9 - Corporate Governance													39	39	41	43
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		81 211	131 490	124 027	123 286	120 927	121 341	117 976	120 800	118 541	115 657	112 857	142 556	1 430 669	1 535 085	1 635 866
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Manager		1 826	1 826	1 860	1 826	1 826	1 860	1 826	1 826	1 860	1 826	1 826	3 668	23 653	25 481	27 133
Vote 2 - Corporate Services		5 705	5 705	6 324	5 705	5 705	6 324	5 705	5 705	6 324	5 705	5 705	22 162	86 778	86 540	91 584
Vote 3 - Finance		2 659	2 659	2 857	2 659	2 659	2 857	2 659	2 659	2 857	2 659	2 659	21 038	52 027	53 962	56 328
Vote 4 - Economic Development Planning		6 828	6 828	7 754	6 828	6 828	7 754	6 828	6 828	7 754	6 828	6 828	5 728	82 017	87 499	89 196
Vote 5 - Municipal Services: Community Services		20 963	20 963	23 431	20 963	20 963	23 431	20 963	20 963	23 431	20 963	20 963	(80 811)	157 186	166 738	177 113
Vote 6 - Municipal Services: Community Safety		5 257	5 257	10 725	5 257	5 257	10 725	5 257	5 257	10 725	5 257	5 257	54 854	129 089	136 297	143 708
Vote 7 - Civil Engineering		54 775	54 775	60 681	54 775	54 775	60 681	54 775	54 775	60 681	54 775	54 775	(528 230)	92 010	96 805	101 924
Vote 8 - Electrical Engineering		1 879	1 879	1 997	1 879	1 879	1 997	1 879	1 879	1 997	1 879	1 879	671 359	692 384	741 914	796 129
Vote 9 - Corporate Governance													22 848	22 848	24 359	25 900
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		99 692	99 692	115 630	99 692	99 692	115 630	99 692	99 692	115 630	99 692	100 840	192 617	1 338 193	1 418 996	1 512 966
Surplus/(Deficit) before assoc.		(18 482)	31 798	8 398	23 593	21 234	5 711	18 284	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(18 482)	31 798	8 398	23 593	21 234	5 711	18 284	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN292 KwaDukuza - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated	1															
Vote 1 - Municipal Manager			5 000	4 000	2 000									11 000	8 967	-
Vote 2 - Corporate Services														-	-	-
Vote 3 - Finance														1 250	-	-
Vote 4 - Economic Development Planning				250										1 400	1 700	3 000
Vote 5 - Municipal Services: Community Services		-	2 000	2 000	1 700	1 800	2 000	200	-	450	300	250	1 150	1 400	1 700	3 000
Vote 6 - Municipal Services: Community Safety		383	650	2 450	2 750	5 050	7 875	5 370	7 700	4 150	1 200	850	10 650	21 150	19 600	16 213
Vote 7 - Civil Engineering		-	-	1 871	2 830	1 400	-	4 070	4 230	1 200	1 660	1 100	(38 538)	-	5 550	5 550
Vote 8 - Electrical Engineering													53 939	72 400	89 521	118 375
Vote 9 - Corporate Governance													19 661	19 661	29 449	28 054
Vote 10 - [NAME OF VOTE 10]													400	400	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	383	7 650	10 571	9 380	8 050	9 975	9 640	11 930	6 250	3 660	2 400	47 363	127 261	154 687	171 192
Single-year expenditure to be appropriated																
Vote 1 - Municipal Manager					20									-	20	20
Vote 2 - Corporate Services		-	-	-	570	100	1 100	300	-	400	700	500	1 700	5 370	400	400
Vote 3 - Finance					10	200	200							410	-	-
Vote 4 - Economic Development Planning		-	-	20	640	580	450	250	350	450	700	900	1 150	5 490	2 050	1 820
Vote 5 - Municipal Services: Community Services		-	-	732	1 520	2 428	350	600	-	300	1 000	1 300	1 288	9 517	4 160	980
Vote 6 - Municipal Services: Community Safety		-	1 113	7 450	11 610	12 300	6 800	6 650	9 500	12 350	13 900	6 750	(85 017)	3 408	4 280	15 710
Vote 7 - Civil Engineering		-	-	3 865	1 477	3 072	722	4 473	3 100	5 000	11 037	3 180	78 631	114 558	31 749	210
Vote 8 - Electrical Engineering		-	-	50	120	-	-	-	-	-	-	-	36 758	36 926	315	120
Vote 9 - Corporate Governance													200	200	1 220	160
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	-	1 113	12 117	15 966	18 680	9 622	12 273	12 950	18 500	27 337	12 630	34 708	175 886	44 204	19 200
Total Capital Expenditure	2	383	8 763	22 688	25 346	28 730	19 597	21 912	24 880	24 750	30 997	15 030	82 071	303 156	198 891	190 392

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

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KZN292 KwaDukuza - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
Governance and administration			5 000	4 050	2 720	300	1 300	300	-	850	1 200	700	2 230	18 650	10 507	580
Executive and council		-	5 000	4 050	2 270	100	100	-	-	-	-	-	2 130	13 650	10 107	180
Budget and treasury office		-	-	-	10	200	200	-	-	450	500	200	100	1 680	-	-
Corporate services		-	-	-	440	-	1 000	300	-	400	700	500	-	3 340	400	400
Community and public safety			2 000	2 752	3 498	4 228	2 500	850	-	750	1 500	1 550	15 193	34 921	33 295	38 843
Community and social services		-	2 000	2 155	2 090	2 208	2 400	350	-	-	-	-	10 000	21 203	22 550	16 618
Sport and recreation		-	-	350	350	300	-	400	-	-	700	900	2 757	5 757	200	200
Public safety		-	-	232	808	1 600	100	200	-	750	600	450	2 086	6 826	10 190	21 800
Housing		-	-	15	250	120	-	-	-	-	200	200	350	1 135	355	225
Health																
Economic and environmental services			1 763	10 150	14 671	17 660	15 075	12 120	17 550	16 950	15 600	8 300	62 448	192 679	124 505	122 725
Planning and development		-	-	250	150	250	300	100	350	450	500	700	1 950	5 000	3 035	4 140
Road transport		393	1 763	9 900	14 521	17 410	14 775	12 020	17 200	16 500	15 100	7 600	60 498	187 679	121 470	118 585
Environmental protection																
Trading services			-	5 736	4 467	4 542	722	8 543	7 330	6 200	12 697	4 480	2 200	56 907	30 584	28 244
Electricity		-	-	5 736	4 407	4 472	722	8 543	7 330	6 200	12 697	4 280	2 200	56 587	29 764	28 174
Water																
Waste water management						70	-	-	-	-	-	200	-	320	820	70
Waste management		-	-	-	50	-	-	-	-	-	-	-	-	-	-	-
Other																
Total Capital Expenditure - Standard	2	393	8 763	22 688	26 346	26 730	19 587	21 912	24 880	24 750	30 997	15 030	82 071	303 158	198 891	190 392
Funded by:																
National Government			7 000	8 971	11 529	9 300	6 300	6 470	9 294	3 500	4 150	1 350	-	67 864	72 113	63 066
Provincial Government				15	250	120							-	385	255	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		-	7 000	8 986	11 778	9 420	6 300	6 470	9 294	3 500	4 150	1 350	-	68 249	72 368	63 066
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		393	1 763	13 702	13 567	17 310	13 297	15 443	15 586	21 250	26 847	13 680	79 885	232 723	126 522	127 326
Total Capital Funding		393	8 763	22 688	26 346	26 730	19 587	21 912	24 880	24 750	30 997	15 030	82 071	303 158	198 891	190 392

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure check

KZN292 KwaDukuza - NOT REQUIRED - municipality does not have entities

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KZN292 Kwadukuza - Supporting Table SA32 List of external mechanisms

External mechanism	Name of organisation	Yrs/ Mths	Period of agreement 1.		Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
			Yrs	Number			R thousand
	Dolphin Coast Waste Management	Yrs	1		REFUSE REMOVAL	under review - currently month to month	22 212
	Mr Price Pro	Yrs	3		TOURISM		2 940
	Sharks Board	Yrs	3		Sharks Control		3 500
	G4S Security	Yrs	3		SECURITY SERVICE	under review - currently month to month	10 935

References

1. Total agreement period from commencement until end
2. Annual value

KZN292 KwaDukuzi - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years		Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		Budget Year +1 2017/18		Budget Year +2 2018/19		Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
		Total	Original Budget	Budget Year 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2018/19	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:	1,3																		
Revenue Obligation By Contract:	2																		
Contract 1																			
Contract 2																			
Contract 3 etc																			
Total Operating Revenue Implication																			
Expenditure Obligation By Contract:	2																		
REFUSE REMOVAL SERVICES		158 967	21 484	22 212	23 322	24 558	27 014	29 716	32 687	35 956	39 552	43 507	47 958	504 823					
SECURITY SERVICES		29 856	10 576	10 835	11 481	12 090	13 289	14 629	16 081	17 701	19 471	21 418	23 580	201 105					
TOURISM		8 571	4 869	2 940	3 087	3 251	3 576	3 833	4 327	4 759	5 235	5 759	6 335	56 640					
Sharks Control		9 127	3 965	3 500	3 675	3 870	4 256	4 682	5 150	5 685	6 232	6 855	7 541	63 937					
Total Operating Expenditure Implication		204 511	40 313	39 586	41 565	43 788	48 145	52 960	58 256	64 081	70 489	77 538	85 292	826 505					
Capital Expenditure Obligation By Contract:	2																		
Contract 1																			
Contract 2																			
Contract 3 etc																			
Total Capital Expenditure Implication																			
Total Permet Expenditure Implication		204 511	40 313	39 586	41 565	43 788	48 145	52 960	58 256	64 081	70 489	77 538	85 292	826 505					
Entities:																			
Revenue Obligation By Contract:	2																		
Contract 1																			
Contract 2																			
Contract 3 etc																			
Total Operating Revenue Implication																			
Expenditure Obligation By Contract:	2																		
Contract 1																			
Contract 2																			
Contract 3 etc																			
Total Operating Expenditure Implication																			
Capital Expenditure Obligation By Contract:	2																		
Contract 1																			
Contract 2																			
Contract 3 etc																			
Total Capital Expenditure Implication																			
Total Entity Expenditure Implication																			

References:

1. Total Implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTRPF (AFMA s.33)
3. For municipalities with approved total revenue not exceeding R50 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

KZN292 KwaDukuza - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	Capital expenditure on new assets by Asset Class/Sub-class										R thousand
		Audited Outcome 2012/13	Audited Outcome 2013/14	Audited Outcome 2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19		
Infrastructure		48 126	150 028	187 483	187 395	178 240	178 240	170 878	112 927	79 347		
Infrastructure - Road transport		27 557	97 794	96 458	142 337	136 052	136 052	136 385	85 698	53 700		
Roads, Pavements & Bridges		27 557	97 794	96 458	142 337	136 052	136 052	136 385	85 698	53 700		
Storm water		19 948	51 947	89 614	43 955	41 433	41 433	34 293	27 179	25 597		
Infrastructure - Electricity		19 948	51 947	89 614	43 955	41 433	41 433	34 293	27 179	25 597		
Generation		19 443	48 184	81 320	38 750	37 960	37 960	27 041	21 107	18 918		
Transmission & Reticulation		19 443	48 184	81 320	38 750	37 960	37 960	27 041	21 107	18 918		
Street Lighting		505	3 763	8 294	5 205	3 473	3 473	7 252	6 072	6 679		
Infrastructure - Water		-	-	-	-	-	-	-	-	-		
Dams & Reservoirs		-	-	-	-	-	-	-	-	-		
Water purification		-	-	-	-	-	-	-	-	-		
Reticulation		-	-	-	-	-	-	-	-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-		
Reticulation		-	-	-	-	-	-	-	-	-		
Sewerage purification		-	-	-	-	-	-	-	-	-		
Infrastructure - Other		620	286	1 411	1 103	755	755	200	50	50		
Waste Management		620	198	1 342	1 103	755	755	200	50	50		
Transportation		-	-	-	-	-	-	-	-	-		
Gas		-	-	-	-	-	-	-	-	-		
Other		88	69	10 411	29 382	25 055	25 055	48 417	32 960	45 563		
Community		7 127	11 415	149 (80)	9 850	5 050	5 050	19 660	6 500	29 875		
Parks & gardens		-	149	(80)	-	-	-	-	-	-		
Sportsfields & stadia		3 348	5 543	4 994	9 850	5 050	5 050	19 660	6 500	29 875		
Swimming pools		-	-	-	1 028	1 561	1 561	6 340	7 400	29 875		
Community halls		1 292	4 697	2 666	1 028	1 561	1 561	6 340	7 400	29 875		
Libraries		30	-	-	3 382	2 381	2 381	3 507	-	-		
Recreational facilities		606	-	2 222	3 382	2 381	2 381	3 507	-	-		
Fire, safety & emergency		1 659	-	-	1 946	1 830	1 830	-	-	-		
Security and policing		-	-	-	-	-	-	-	-	-		
Buses		-	-	-	-	-	-	-	-	-		
Clinics		-	-	-	-	-	-	-	-	-		
Museums & Art Galleries		-	-	-	-	-	-	-	-	-		
Cemeteries		-	-	-	-	-	-	-	-	-		
Social rental housing		192	597	619	13 176	14 253	14 253	18 800	19 000	15 613		
Other		-	430	619	-	-	-	-	-	-		
Heritage assets		-	-	-	379	-	-	-	-	-		
Buildings		-	-	-	379	-	-	-	-	-		
Other		-	-	-	-	-	-	-	-	-		
Investment properties		-	-	-	-	-	-	-	-	-		
Housing development		-	-	-	-	-	-	-	-	-		
Other		-	-	-	-	-	-	-	-	-		
Other assets		16 292	16 963	9 792	61 796	48 119	48 119	22 474	21 615	30 505		
General vehicles		1 124	3 055	1 824	12 581	12 510	12 510	4 500	7 020	400		
Specialised vehicles		3 988	5 211	-	7 478	7 478	7 478	-	2 300	-		
Plant & equipment		2 221	1 672	2 191	1 740	682	682	2 857	1 025	855		
Computers - hardware/equipment		1 441	925	-	450	650	650	3 120	490	460		
Furniture and other office equipment		441	1 609	2 670	980	1 047	1 047	2 475	1 135	760		
Abattoirs		-	-	-	-	-	-	-	-	-		
Markets		-	-	-	-	-	-	-	-	-		
Civic Land and Buildings		-	71	2 393	8 516	8 766	8 766	1 500	6 300	8 900		
Other Buildings		3 878	2 753	200	22 359	10 203	10 203	3 950	700	15 000		
Other Land		3 200	-	-	-	-	-	2 186	1 500	3 000		
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-		
Other		-	1 668	514	7 683	6 783	6 783	1 886	1 145	1 130		
Agricultural assets		-	-	-	-	-	-	-	-	-		
List sub-class		-	-	-	-	-	-	-	-	-		
Biological assets		-	-	-	-	-	-	-	-	-		
List sub-class		-	-	-	-	-	-	-	-	-		

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b)
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes land and buildings required by that infrastructure and vehicles/plant & equipment used by the owner
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

[illegible]

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KZN292 KwaDukuza - Supporting Table SA340 Capital expenditure on the renewal of existing assets by asset class

Description	Ref	Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
		2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework						
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Budget Year	Budget Year	
Infrastructure		31 130	67 043	27 606	66 694	66 911	66 911	45 039	13 770	33 257			
Infrastructure - Road transport		11 964	15 509	17 380	18 042	40 075	40 075	26 153	11 500	30 800			
Roads, Pavements & Bridges		11 918	14 311	17 380	15 642	38 104	38 104	23 653	10 000	28 000			
Storm water		46	1 198		2 400	1 872	1 972	2 500	1 500	2 800			
Infrastructure - Electricity		19 166	51 534	10 191	48 652	45 836	45 836	18 886	2 270	2 457			
Generation													
Transmission & Distribution		19 166	51 430	10 043	48 502	45 836	45 836	18 886	2 270	2 457			
Street Lighting			104	148	150								
Infrastructure - Water													
Dams & Reservoirs													
Water purification													
Water purification													
Infrastructure - Sanitation													
Sanitation													
Infrastructure - Other													
Sewerage purification													
Infrastructure - Other													
Waste Management													
Transportation													
Gas													
Other													
Community		596	3 864	2 515	19 669	12 017	12 017	7 550	3 639	900			
Parks & gardens		321	3 389	998	300	231	4 507	250					
Sportsticks & stadia													
Swimming pools													
Community halls			49	12	300	300	300	1 500	2 789	650			
Libraries						150							
Recreational facilities			288	367	200	200	200	5 800					
Fire, safety & emergency													
Security and policing													
Buses													
Clinics													
Museums & Art Galleries			86										
Cemeteries		289	70		2 686	2 811	2 811	200	200				
Social rental housing													
Other		6			1 259	3 818	3 818						
Heritage assets				87									
Buildings				87									
Other													
Investment properties													
Housing development													
Other													
Other assets													
Biological assets													
List sub-class													
Intangibles													
Computers - software & programming													
Other (list sub-class)													
Total Capital Expenditure on renewal of existing assets	1		35 596	73 242	36 593	96 391	107 956	107 956	60 989	31 389	34 977		

1. Total capital expenditure on renewal of existing assets (Saskap) plus Total Capital Expenditure on new assets (Saskap)
2. Airports, Car Parks, Bus Terminals and Taxi stands
3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
4. Work-in-progress under construction to be included under the respective item
5. Infrastructure includes land and buildings required by that infrastructure and equipment used by the service
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributors (the top structure being built using the housing subsidies
9. Statues, art collections, medals etc
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

	Total Repairs and Maintenance Expenditure	1
Interables	-	-
Computers - software & programming	-	-
Other (last sub-class)	18	18
	78 669	78 669
	94 004	94 004
	97 027	97 027
	97 027	97 027
	95 528	95 528
	101 450	101 450
	107 436	107 436

Specialised vehicles	Refuse	Fire	Conveyance	Ambulances	R&M as a % of PPE	R&M as % Operating Expenditure	References
-	-	-	-	-	5.1%	7.0%	7.6%
-	-	-	-	-	6.0%	7.4%	7.4%
-	-	-	-	-	5.3%	7.6%	7.6%
-	-	-	-	-	5.3%	7.1%	7.1%
-	-	-	-	-	4.6%	4.6%	4.7%
-	-	-	-	-	7.1%	7.1%	7.1%

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

3. For example - technology backbones (e.g. fibre optic, WFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/paint & equipment used by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Part and equipment'

check balance

(d)

Fire	Conspiracy	Ambulance	References

Consejería
Ambulancias

- For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
- Work-in-progress/under construction to be completed under the research plan

7. Busses used to provide a service to the community

check

1

(d)

1

0

6

(c)

(b)

(G)

KZN292 KwaDukuza - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	R thousand					
		Budget Year	Budget Year +1	Budget Year +2	Forecast	Forecast	Present value
2016/17 Medium Term Revenue & Expenditure Framework	Forecasts						
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Capital expenditure	1	11 020	8 887	20	24	31	37
Vote 1 - Municipal Manager							
Vote 2 - Corporate Services		5 370	400	400	480	624	749
Vote 3 - Finance		1 660	-	-	-	-	-
Vote 4 - Economic Development Planning		6 890	3 750	4 620	5 544	7 207	8 649
Vote 5 - Municipal Services: Community Services		30 667	23 760	17 173	46 119	59 955	71 946
Vote 6 - Municipal Services: Community Safety		3 406	9 840	21 260	33 809	43 951	52 742
Vote 7 - Civil Engineering		186 958	121 270	118 585	120 702	156 913	188 295
Vote 8 - Electrical Engineering		56 587	29 764	28 174	192	250	300
Vote 9 - Corporate Governance		600	1 220	160			
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-
Total Capital Expenditure		303 158	198 891	190 392	206 870	268 931	322 717
Future operational costs by vote	2	154	162	171	180	189	198
Vote 1 - Municipal Manager							
Vote 2 - Corporate Services		3 172	3 339	3 520	3 696	3 881	4 075
Vote 3 - Finance		1 092	1 152	1 215	1 275	1 339	1 406
Vote 4 - Economic Development Planning		6 462	6 809	7 183	7 542	7 919	8 315
Vote 5 - Municipal Services: Community Services		34 731	36 811	38 943	40 891	42 935	45 062
Vote 6 - Municipal Services: Community Safety		7 980	8 432	8 906	9 352	9 819	10 310
Vote 7 - Civil Engineering		55 538	58 629	61 903	64 999	68 248	71 661
Vote 8 - Electrical Engineering		64 541	68 169	71 995	75 595	79 375	83 344
Vote 9 - Corporate Governance		605	637	672	706	741	777 828.19
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-
List entity summary if applicable							
Total future operational costs		174 278	184 141	194 509	204 235	214 446	225 169
Future revenue by source	3						
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
Total future revenue							
Net Financial Implications		477 436	383 032	384 901	411 105	483 377	547 886
References							
1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))							
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))							
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of assets' useful life)							

KZN2022 KwaZulu - Supporting Table SA36 Detailed capital budget

Municipal Vot/Capital project	Project description	Project number	JGP Code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate		Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework		Project Information	
								Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	Ward (new or renewed)	
<p>Present municipality:</p> <p>List of capital projects grouped by Municipal Vot</p>															
Department : 613 Municipal Manager	Office Furniture			Yes	Other Assets	Furniture and other office equipment		13	-	20	20	20	New		
Department : 617 Human Resources	Highboardroom Great Fund App.			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges		8,363	7,000	11,000	8,667	-	New		
Department : 640 Administration	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	-	40	-	-	New		
Department : 642 Council General	Office Furniture & Equipment			Yes	Other Assets	Furniture and other office equipment		20	20	30	-	-	New		
Department : 643 Information Technology	Office Furniture			Yes	Other Assets	Furniture and other office equipment		11	5	-	-	-	New		
Department : 644 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		52	400	-	-	-	New		
Department : 645 Information Technology	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	-	200	-	-	New		
Department : 646 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	-	100	-	-	New		
Department : 647 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		780	780	1,000	400	400	New		
Department : 648 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		470	580	300	-	-	New		
Department : 649 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	100	-	-	-	New		
Department : 650 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	-	400	-	-	New		
Department : 651 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	-	800	-	-	New		
Department : 652 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		-	-	600	-	-	New		
Department : 653 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		15	-	150	140	140	New		
Department : 654 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		28	-	-	450	-	New		
Department : 655 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		5	70	50	100	-	New		
Department : 656 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		1,079	400	400	30	20	New		
Department : 657 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		7	625	-	-	-	New		
Department : 658 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		103	200	400	-	-	New		
Department : 659 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		4	50	-	-	-	New		
Department : 660 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		170	505	1,000	-	-	New		
Department : 661 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		71	300	150	200	250	New		
Department : 662 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		198	150	150	50	20	New		
Department : 663 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		450	150	150	150	150	New		
Department : 664 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		625	800	800	75	50	New		
Department : 665 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		80	80	-	-	-	New		
Department : 666 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		259	80	80	-	-	New		
Department : 667 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		10	-	50	60	75	New		
Department : 668 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		54	136	200	100	50	New		
Department : 669 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		88	88	500	100	50	New		
Department : 670 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		100	100	-	-	-	New		
Department : 671 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		25	25	15	15	15	New		
Department : 672 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		43	43	50	50	50	New		
Department : 673 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		200	200	120	80	80	New		
Department : 674 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		255	255	250	-	-	New		
Department : 675 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		100	100	-	-	-	New		
Department : 676 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		32	32	100	200	100	New		
Department : 677 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		227	300	300	200	100	New		
Department : 678 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		248	170	120	100	80	New		
Department : 679 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		213	5	5	-	-	New		
Department : 680 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		86	150	-	-	-	New		
Department : 681 Council General	Office Furniture			Yes	Other Assets	Furniture and other office equipment		100	100	40	-	-	New		

1121

[illegible]

[illegible]

KZU292 KwaDukuza - Supporting Table SA37 Projects delayed from previous financial years

Municipal Vot/Capital project List all capital projects grouped by Municipal Vote	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete		Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework	
							Year	Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality: Deparmt : 613 Municipal Manager	1,2	Neighbourhood Grant Fund App.		Infrastructure - Road transport	Roads, Pavements & Bridges		2015	7 000		11 000	8 867	
Deparmt : 680 Communication		Website Development		Other	Computers - software & programming		2015	400		200		
Deparmt : 686 Budget & Treasury Office		Renovations to Office Buildings		Other Assets	Civic Land and Buildings		2015	506		1 000		
		Renovations to Expenditure Section		Other Assets	Civic Land and Buildings		2015	550		250		
Deparmt : 615 Town Planning		Street Naming Signage		Other Assets	Other		2015	300		150	200	251
		Electr. Bldg Piers Filling Hwy		Other Assets	Other		2015	600		250	75	51
		Salt Rock Pavilions		Other Assets	Other		2015	625		900	200	
Deparmt : 616 Museum		Museum Society		Community	Other		2015	259		80		
Deparmt : 622 Housing		Renovation to Compounds		Other	Other Buildings		2015	200		250		
Deparmt : 633 Community Hall		Fencing		Other	Other Buildings		2015	300		300	200	101
Deparmt : 647 Local Development		Informal Trading Stalls		Other	Other		2015	850		800	500	501
		Lea Centre Renovations		Other	Other Buildings		2015	73		50	30	21
Deparmt : 644 Parks and Gardens		Upgrade To Skateboard Park		Community	Recreational facilities		2015	81		200		
Deparmt : 675 Sports and Recreation		2 X Combo Courts		Community	Recreational facilities		2015	2 181		510		
Deparmt : 677 Upgrade of Sporting Facilities		Upgrade to Luthuli Sportfield & Basketball Court		Community	Sportfields & shade		2015	490		500	200	201
		Upgrade to Sekhondo Sportfield		Community	Sportfields & shade		2015	800		150		
		Upgrade to Mawer Sportfield		Community	Sportfields & shade		2015	842		1 000		
		Driefontein Sportfield		Community	Sportfields & shade		2015	1 980		400		
Deparmt : 681 Marine Safety		Upgrade to Beach Facilities		Community	Recreational facilities		2015	1 000		1 150	200	201
Deparmt : 682 Cemetery		Valspruit Cemetery		Community	Cemeteries		2016	8 720		8 800	15 000	11 611
		Land Acquisition & Cemetery Development		Community	Cemeteries		2016	1 500		10 000	4 000	4 000
		Crematorium Development		Community	Cemeteries		2015	200		200	200	201
Deparmt : 645 Roads Infrastructure		Wooden Bridges (27 Wards)		Infrastructure - Road transport	Roads, Pavements & Bridges		2015	1 000		1 850	3 000	3 500
		Bird Park Bridge Replacement		Infrastructure - Road transport	Roads, Pavements & Bridges		2015	751		4 500	-	-
		Traffic calming measures		Infrastructure - Road transport	Roads, Pavements & Bridges		2015	828		1 350	2 000	2 000
		Rehabilitation of Roads		Infrastructure - Road transport	Roads, Pavements & Bridges		2015	7 500		10 000	10 000	10 000
		CBD Stormwater Analysis		Infrastructure - Road transport	Storm water		2015	382		1 000		
		W422-Obayn Dr Rehabilitation		Infrastructure - Road transport	Roads, Pavements & Bridges		2015	80		6 000		
Deparmt : 646 Civic Buildings		Baillo Civic BLDG Renovation		Infrastructure - Road transport	Civic Land and Buildings		2015	500		6 000	13 000	
Deparmt : 645 Sports Fields		Moroti Sportfield		Infrastructure - Road transport	Sportfields & shade		2015	2 600		5 800		
		Bayce Park Recreation		Infrastructure - Road transport	Sportfields & shade		2015	709		250		
		Shayamoya Sport Complex		Infrastructure - Road transport	Sportfields & shade		2015	2 573		8 300		
		Elele Sports field		Infrastructure - Road transport	Sportfields & shade		2015	340		4 780	1 500	
		Soweto Sport field (Changwama & Abuloni)		Infrastructure - Road transport	Sportfields & shade		2015	75		150		
		Glenville Adult Sports Facilities		Infrastructure - Road transport	Sportfields & shade		2015	250		300	2 000	
		Or's Hall Sport field		Infrastructure - Road transport	Sportfields & shade		2015	250		300		
		Mkomozi Community Hall		Infrastructure - Road transport	Community halls		2015	2 850		1 400	-	-
		Madison Wood Community Hall		Infrastructure - Road transport	Community halls		2015	150		2 000	3 720	-
		Extension of Madindude Community Hall		Infrastructure - Road transport	Community halls		2015	280		1 500	2 788	-
		Malanda Multi Purpose Centre		Infrastructure - Road transport	Community halls		2015	200		850	1 200	8 000
Deparmt : 646 Community Halls		Glenville Community Hall		Infrastructure - Road transport	Community halls		2015	350		400	500	3 500

[illegible]

1.5 TARIFF OF CHARGES



TARIFF OF CHARGES

2016/17

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)

2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

A 1 OUTDOOR ADVERTISING

ALL APPLICATIONS SHALL BE IN TERMS OF THE KWADUKUZA MUNICIPALITY'S OUTDOOR ADVERTISING POLICY AND BY-LAWS.

(a) Non-permanent signs

(i) General advertisements of a commercial nature:

(aa) Up to 50 posters, or part thereof

R 1,007.02

R 1,148.00

(bb) Each poster thereafter, an additional

R 21.05

R 24.00

(cc) Refundable deposit (refer to note below)

R 500.00

R 500.00

(ii) General advertisements for awareness campaigns with no commercial content or logo:

(aa) Up to 50 posters, or part thereof

R 471.93

R 538.00

(bb) Each poster thereafter, an additional

R 10.53

R 12.00

(cc) Refundable deposit (refer to note below)

R 300.00

R 300.00

(iii) General advertisements for non-profit organisations (subject to the submission of an NPO certificate from the relevant authority - eg government)

(aa) Up to 50 posters, or part thereof

R 64.04

R 73.00

(bb) Each poster thereafter, an additional

R 2.32

R 2.65

(cc) Refundable deposit (refer to note below)

R 300.00

R 300.00

(iv) Election advertisements, per party/per candidate:

(aa) Posters

R 0.00

R 0.00

(bb) Refundable deposit (refer to note below)

R 1,000.00

R 1,000.00

(v) Non-election advertisements/general promotions:

R 1,000.00

R 1,000.00

DELETE

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(aa) Application fee				R 0.00	R 0.00	DELETE
	(bb) Refundable deposit (refer to note below)	R 1,000.00	R 1,000.00		R 1,000.00	R 1,000.00	
	(vi) Banners:						
	(aa) Per banner	R 271.93	R 310.00		R 271.93	R 310.00	R 678.40
	(bb) Refundable deposit (refer to note below)	R 200.00	R 200.00		R 200.00	R 200.00	R 773.38
	(vii) Flags:						R 678.95
	(aa) Per banner	R 271.93	R 310.00		R 271.93	R 310.00	
	(bb) Refundable deposit (refer to note below)	R 200.00	R 200.00		R 200.00	R 200.00	
	(vii) Advertising vehicles						
	(aa) Per vehicle	R 2,756.14	R 3,142.00		R 2,756.14	R 3,142.00	
	(bb) Refundable deposit (refer to note below)	R 500.00	R 500.00		R 500.00	R 500.00	
	(viii) Private sale signs						
	(aa) Application fee	R 668.42	R 762.00		R 668.42	R 762.00	
	(bb) Refundable deposit (refer to note below)	R 300.00	R 300.00		R 300.00	R 300.00	
	(ix) Construction signs						
	(aa) Application fee	R 678.95	R 774.00		R 678.95	R 774.00	
	(bb) Refundable deposit (refer to note below)	R 500.00	R 300.00		R 500.00	R 300.00	
	NOTE: Deposits paid will be refunded provided that all posters and banners have been removed to the satisfaction of the Municipality's Building Inspectorate.						
	Permanent signs						
	(b) Aerial Advertisements						
	(i) Application fee - first Sqm	R 334.21	R 381.00		R 334.21	R 381.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 69.30	R 79.00		R 69.30	R 79.00	
	(iv) Annual display fee per sign	R 630.70	R 719.00		R 630.70	R 719.00	
c)	Advertising Vehicles						
	(i) Application fee	R 675.44	R 770.00		R 675.44	R 770.00	
	(ii) Monthly display fee per sign	R 1,271.93	R 1,450.00		R 1,271.93	R 1,450.00	

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKWEZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(iii) Annual display fee per sign	R 12,719.30	R 14,500.00		R 12,719.30	R 14,500.00	
(d)	Building Attachment Signs						
	(i) Application fee - first 5sqm	R 334.21	R 381.00		R 334.21	R 381.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 69.30	R 79.00		R 69.30	R 79.00	
	(iv) Annual display fee per sign	R 630.70	R 719.00		R 630.70	R 719.00	
(e)	Electric and Illuminated Signs						
	(i) Application fee - first 5sqm	R 334.21	R 381.00		R 334.21	R 381.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 85.09	R 97.00		R 85.09	R 97.00	
	(iv) Annual display fee per sign	R 947.37	R 1,080.00		R 947.37	R 1,080.00	
(f)	Ground signs (excluding billboards)						
	(i) Application fee - first 5sqm	R 334.21	R 381.00		R 334.21	R 381.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 69.30	R 79.00		R 69.30	R 79.00	
	(iv) Annual display fee per sign	R 630.70	R 719.00		R 630.70	R 719.00	
(g)	Projecting wall signs						
	(i) Application fee - first 5sqm	R 503.51	R 574.00		R 503.51	R 574.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 85.09	R 97.00		R 85.09	R 97.00	
	(iv) Annual display fee per sign	R 900.88	R 1,027.00		R 900.88	R 1,027.00	
(h)	Pointer boards/Estate agents boards						
	(i) Application fee (per agent)	R 668.42	R 762.00		R 668.42	R 762.00	
	(ii) Monthly display fee per 10 signs	R 170.18	R 194.00		R 170.18	R 194.00	
	(iii) Annual display fee per 10 signs	R 1,890.35	R 2,155.00		R 1,890.35	R 2,155.00	
(i)	Estate agency signs						
	(i) Application fee	R 1,061.40	R 1,210.00		R 1,061.40	R 1,210.00	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(ii) Monthly display fee per 30 signs	R 425.44	R 485.00		R 425.44	R 485.00	
	(iii) Annual display fee per 30 signs	R 4,717.54	R 5,378.00		R 4,717.54	R 5,378.00	
	(j) Portable/sandwich boards						
	(i) Application fee - first 5sqm	R 668.42	R 762.00		R 668.42	R 762.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 169.30	R 193.00		R 169.30	R 193.00	
	(iv) Annual display fee per sign	R 1,890.35	R 2,155.00		R 1,890.35	R 2,155.00	
	(k) Combination signs						
	(i) Application fee - first 5sqm	R 721.05	R 822.00		R 721.05	R 822.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 222.81	R 254.00		R 222.81	R 254.00	
	(iv) Annual display fee per sign	R 2,469.30	R 2,815.00		R 2,469.30	R 2,815.00	
	(l) Neighbourhood watch/ Farm watch/Security signs and promotions						
	(i) Application fee - first 5sqm	R 503.50	R 574.00		R 503.50	R 574.00	R 922.20
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	R 1,051.31
	(iii) Monthly display fee per sign (not promotional)	R 85.09	R 97.00		R 85.09	R 97.00	R 921.05
	(iv) Annual display fee per sign (not promotional)	R 921.05	R 1,050.00		R 921.05	R 1,050.00	
	(v) Monthly display fee per sign (promotional)	R 169.30	R 193.00		R 169.30	R 193.00	
	(vi) Annual display fee per sign (promotional)	R 1,890.35	R 2,155.00		R 1,890.35	R 2,155.00	
	(m) Veranda/under canopy signs						
	(i) Application fee - first 5sqm	R 334.21	R 381.00		R 334.21	R 381.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 69.30	R 79.00		R 69.30	R 79.00	
	(iv) Annual display fee per sign	R 630.70	R 719.00		R 630.70	R 719.00	
	(n) Wall signs/fascia signs						
	(i) Application fee - first 5sqm	R 334.21	R 381.00		R 334.21	R 381.00	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	

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2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(o)	(iii) Monthly display fee per sign	R 69.30	R 79.00		R 69.30	R 79.00	
	(iv) Annual display fee per sign	R 630.70	R 719.00		R 630.70	R 719.00	
	Wall signs on historical buildings for commercial use						
	(i) Application fee - first 5sqm	R 503.50	R 573.99		R 503.50	R 573.99	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 85.09	R 97.00		R 85.09	R 97.00	
	(iv) Annual display fee per sign	R 900.88	R 1,027.00		R 900.88	R 1,027.00	
(p) Advertisements on pylons							
	(i) Application fee - first 5sqm	R 503.50	R 573.99		R 503.50	R 573.99	
	(ii) Additional - per sqm	R 95.61	R 109.00		R 95.61	R 109.00	
	(iii) Monthly display fee per sign	R 85.09	R 97.00		R 85.09	R 97.00	
	(iv) Annual display fee per sign	R 900.88	R 1,027.00		R 900.88	R 1,027.00	
(q) Flags (permanent)							
	(i) Application fee	R 503.50	R 573.99		R 503.50	R 573.99	
	(ii) Monthly display fee per sign	R 85.09	R 97.00		R 85.09	R 97.00	
	(iii) Annual display fee per sign	R 900.88	R 1,027.00		R 900.88	R 1,027.00	
TARIFFS (+) TO (+) FEES ARE STIPULATED IN THE CONTRACTS OF THE RESPECTIVE SERVICE PROVIDERS ENGAGED BY THE KWADUKUZA MUNICIPALITY							
(r) Litter bins							
	(i) (aa) Application fee - North	R 475.00	R 541.50	Re-instated			
	(b) Application fee - South	R 950.00	R 1,083.00				DELETE
	(ii) (aa) Monthly display fee per sign	R 80.00	R 91.20	AMENDED			
	(b) Monthly display fee per sign - South			DELETE			DELETE
	(iii) Annual display fee per sign	R 920.00	R 128.80				
(s) Illuminated street name signs				Re-instated			DELETE
(i) (aa) Application fee - North		R 680.00	R 775.20				DELETE

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(bb) Application fee - South	R 1,360.00	R 1,550.40				
	(ii) (aa) Monthly display fee per sign	R 92.00	R 104.88	AMENDED	-	-	DELETE
	(bb) Monthly display fee per sign - South			DELETE			
	(iii) Annual display fee per sign	R 1,200.00	R 1,368.00		-	-	DELETE
(i)	Street light/street pole signs, etc			Re-instated			
	(i) (aa) Application fee - North	R 630.00	R 718.20		-	-	DELETE
	(bb) Application fee - South	R 1,260.00	R 1,436.40				
	(ii) (aa) Monthly display fee per sign	R 74.00	R 84.36	AMENDED	-	-	DELETE
	(bb) Monthly display fee per sign - South			DELETE			
	(iii) Annual display fee per sign	R 870.00	R 991.80		-	-	DELETE
(u)	Billboards			Re-instated			
	(i) Application fee - first 36sqm	R 1,970.00	R 2,245.80		-	-	DELETE
	(ii) Additional - per sqm	R 220.00	R 250.80		-	-	DELETE
	(iii) (aa) Monthly display fee per sign - private property (North)	R 2,000.00	R 2,280.00		-	-	DELETE
	(bb) Monthly display fee per sign - private property (South)	R 4,000.00	R 4,560.00				
	(iv) (aa) Annual display fee per sign - private property (North)	R 20,000.00	R 22,800.00		-	-	DELETE
	(bb) Annual display fee per sign - private property (South)	R 40,000.00	R 45,600.00				
	(v) (aa) Monthly display fee per sign - Council property (North)	R 2,000.00	R 2,280.00		-	-	DELETE
	(bb) Monthly display fee per sign - Council property (South)	R 4,000.00	R 4,560.00				
	(vi) (aa) Annual display fee per sign - Council property (North)	R 18,655.00	R 21,266.70		-	-	DELETE
	(bb) Annual display fee per sign - Council property (South)	R 27,310.00	R 31,133.40				
(v)	Other signs on Council Property			Re-instated			
	(i) Application fee	R 315.00	R 359.10		-	-	DELETE
	(ii) Monthly display fee per sign	R 65.00	R 74.10		-	-	DELETE
	(iii) Annual display fee per sign	R 595.00	R 678.30		-	-	DELETE
(u)	Penalties						

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(i) For the erection of any sign without approval, per week				As laid down in the Advertising Bylaws		
	(ii) For the erection of any billboard without approval, per week				As laid down in the Advertising Bylaws		
	(iii) For the erection of posters without approval, per week				As laid down in the Advertising Bylaws		
B 1 BEACH MANAGEMENT							
DEPOSIT: In respect of (a), (b), (c) and (d) below, the following deposit is payable by all applicants to safeguard the Municipality against damages. In addition, should damages be in excess of the specified deposit, a recovery of cost + 10% will be claimed from the applicant.							
a)	Beach Entertainment/Promotion						
	(i) Approved events (KDCPA & Council per day or part thereof)	R 2,969.30	R 3,385.00		R 2,969.30	R 3,385.00	
	(ii) Other events (non-Council)	R 3,922.81	R 4,472.00		R 3,922.81	R 4,472.00	
b)	Film Shoot						
	(i) Commercial per day or part thereof	R 3,508.77	R 4,000.00		#REF!	#REF!	
	(ii) Feature film per day or part thereof	R 2,000.00	R 2,280.00		#REF!	#REF!	
c)	Promotions, per day or part thereof				R 1,802.63	R 2,055.00	
d)	Wedding ceremonies						
	(i) Wedding ceremony, only permitted if no closure is required, per day or part thereof	R 1,315.79	R 1,500.00		R 2,756.14	R 3,142.00	
	(ii) Wedding ceremony and reception, only permitted if no closure is required, per day or part thereof	R 4,500.00	R 5,130.00		R 4,241.23	R 4,835.00	
	(iii) Wedding reception, only permitted if no closure is required, per day or part thereof			DELETE	R 2,756.14	R 3,142.00	
e)	Approved educational /training events if no closure is required	NIL	NIL		NIL	NIL	
f)	Approved religious services if no closure is required	NIL	NIL		NIL	NIL	
Sports							
	(i) Sporting events, per day or part thereof	R 2,122.81	R 2,420.00		R 2,122.81	R 2,420.00	
	(ii) Stopover sporting events, per day or part thereof	R 1,061.40	R 1,210.00		R 1,061.40	R 1,210.00	

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2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE FROM THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS							
	(iii) Sporting events / team building per day or part thereof	R 2,122.81	R 2,420.00	NEW			
	(iii) Refundable deposit in respect of sporting events			DELETE	R 500.00	R 500.00	
	h) Where temporary closure is required, per day or part thereof	R 9,008.77	R 10,270.00		R 9,008.77	R 10,270.00	
	i) Any other event not prescribed above, per day or part thereof - a 50% refundable deposit is included in the tariff	R 2,000.00	R 2,140.00		R 2,000.00	R 2,140.00	
Any reduction of the above tariffs is subject to Council approval and agreement							
B 2 BUILDING PLANS & SPECIFICATIONS:							
No plan shall be deemed lodged unless the appropriate fee has been paid and the application form properly completed.							
a)	Upon lodgment thereof or their examination and inspection of the intended work:						
	(i) For the first 20 sq.m of floor area (Combined Drainage and Plan Fees.)	R1,057.00	R1,204.98		R 1,007.00	R 1,147.98	
	(ii) Thereafter per 20 sq.m	R362.00	R412.68		R 345.00	R 393.30	
b)	Sewer plan submitted under separate application	R735.00	R837.90		R 700.00	R 798.00	
c)	Structural alterations where the floor area is not increased a fee of	R0.00	R0.00		R 0.00	R 0.00	
d)	Amended Plans/Deviations where the floor area is not increased a fee of	R1,057.00	R1,204.98		R 1,007.00	R 1,147.98	
e)	Swimming pools	R735.00	R837.90		R 700.00	R 798.00	
f)	Minor building works	R390.00	R444.60		R 371.00	R 422.94	
g)	Minimum Plan Fees payable in respect of Alterations / Additions except as otherwise specified.	R1,057.00	R1,204.98		R 1,007.00	R 1,147.98	
h)	Pre-Scrutiny of Plan						
	(i) For the first 20 sq.m of floor area (Combined Drainage and Plan Fees.)	R955.00	R1,088.70		R 910.00	R 1,037.40	
	(ii) Thereafter per 20 sq.m	R163.00	R185.82		R 155.00	R 176.70	
i)	Retaining / Boundary wall	R735.00	R837.90		R 700.00	R 798.00	
j)	Cancellation of plans prior to Approval - The % Deduction for Administration cost shall be				25%	25%	
k)	Revalidation of Expired Plans	Full Fees Payable.	Full Fees Payable.		Full Fees Payable.	Full Fees Payable.	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
1)	Department of Human Settlements: Subsidised Housing - The % Discount of the full payable fee shall be				-	-	R 3.00
	For any addition and alteration to an existing building where the additional area is:-						
	(i) 0 to 36 m2 - The % Discount on the Payable Fee shall be	100%	100%		100%	100%	
	(ii) 37 to 74 m2 - The % Discount on the Payable Fee shall be	50%	50%		50%	50%	
	(iii) 75 to 100 m2 - The % Discount on the Payable Fee shall be	25%	25%		25%	25%	
	(iv) 101m2 plus - The % Discount on the Payable Fee shall be	0%	0%		0%	0%	
m)	Land Reform projects - The % Discount of the full payable fee shall be	100%	100%		100%	100%	
	For any addition and alteration to an existing building where the additional area is:-						
	(i) 0 to 36 m2 - The % Discount on the Payable Fee shall be	100%	100%		100%	100%	
	(ii) 37 to 74 m2 - The % Discount on the Payable Fee shall be	50%	50%		50%	50%	
	(iii) 75 to 100 m2 - The % Discount on the Payable Fee shall be	25%	25%		25%	25%	
	(iv) 101m2 plus - The % Discount on the Payable Fee shall be	0%	0%		0%	0%	
n)	LED/KDM: Projects	No charge	No charge		No charge	No charge	
o)	Any Place of Worship where permission has been granted for public assembly and where buildings are used for worship purposes	No charge	No charge		No charge	No charge	
p)	Factories / Warehouses,						
	(i) for the 1st 20m2 of floor area-	R1,057.00	R1,204.98		R 1,007.00	R 1,147.98	
	(ii) Thereafter per m2	R19.00	R21.66		R 18.00	R 20.52	
q)	Re-inspection fees:	R300.00	R342.00		R 285.00	R 324.90	
r)	Search Fee : Building Plan	R58.00	R66.12		R 55.00	R 62.70	
s)	Research Fee : Engineering Services	R162.00	R184.68		R 154.00	R 175.56	
t)	Copy of Plans/Paper copies						
	(i) A4 copy	R3.00	R3.42		R 3.00	R 3.42	
	(ii) A3 copy	R6.00	R6.84		R 6.00	R 6.84	
	(iii) A2 copy	R35.00	R39.90		R 33.00	R 37.62	
	(iv) A1 copy	R52.50	R59.85		R 50.00	R 57.00	
	(v) A0 copy	R95.00	R108.30		R 90.00	R 102.60	
u)	Plumbers Annual Registration fee	R170.00	R193.80		R 162.00	R 184.68	
v)	Rental of hoarding, sidewalk, parking bay, per sqm per week	R765.00	R872.10		R 730.00	R 832.20	

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	2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
w) Early commencement request for minor building works and swimming pool	R630.00	R718.20		R 600.00	R 684.00	NEW
x) Early commencement request per sqm (ground area only), other building works.	R9.50	R10.83		R 9.00	R 10.26	
y) Waiver of tariffs: Building plan fees for Human Settlements projects, social amenities or related developments may be waived in terms of Council's relevant approved policy	R0.00	R0.00		R 0.00	R 0.00	NEW
B 3 VERGE / PLAN DEPOSITS:						
(a) On approval of a building plan, prior to the commencement of any work, the owner of the site shall pay a verge and plan deposit as follows:						
(i) New dwelling	R1,123.00	R1,280.22		R 1,070.00	R 1,144.90	
(ii) Swimming pool	R1,123.00	R1,280.22		R 1,070.00	R 1,144.90	
(iii) For alterations, additions	R1,123.00	R1,280.22		R 1,070.00	R 1,144.90	
(iv) Multi Units (town houses)	R9,544.00	R10,880.16		R 9,090.00	R 9,726.30	
(v) Boundary/retaining walls	R958.00	R1,092.12		R 912.00	R 975.84	
The % deposit refundable shall be	50%	50%		50%	50%	
The payment of verge deposits does not apply to properties situated in gated estates						
B 4 BYLAWS						
Per copy, per page						
B 5 BID DOCUMENTS (NON REFUNDABLE)						
a) Technical tenders						
(i) Projects in the value between R200 000 to R2 000 000	R 250.00	R 285.00		R 250.00	R 285.00	
(ii) Projects in the value between R2 000 000 to R10 000 000	R 500.00	R 570.00		R 500.00	R 570.00	
(iii) Projects over R10 000 000	R 877.19	R 1,000.00		R 877.19	R 1,000.00	
b) Non-technical tenders						
(i) Projects in the value between R200 000 to R2 000 000	R 109.64	R 125.00		R 109.64	R 125.00	
(ii) Projects in the value between R2 000 000 to R10 000 000	R 175.43	R 200.00		R 175.43	R 200.00	
(iii) Projects over R10 000 000	R 285.08	R 325.00		R 285.08	R 325.00	
c) Other - closed quotations						

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	(i) Projects in the value between R30 000 to R200 000	2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
C1 CEMETERY							
(a) Single interment of:-		R 17.54	R 20.00		R 17.54	R 20.00	
(i) An adult							
(ii) A child up to the age of ten (10) years		R890.00	R1,015.10		R 848.00	R 966.72	
(b) An indigent burial fee, applicable only if the following are complied with:		R312.00	R355.30		R 296.80	R 338.35	
(i) The grave is dug and filled by the applicant or his agent		R 87.72	R 100.00		R 87.72	R 100.00	
(ii) The grave is dug within the demarcated indigent area.							
(iii) The correct depth is supervised by the Council's official or Agent							
(iv) The deceased is certified by a Councilor or							
(v) Development Committee Member as a Local Resident.							
(vi) The deceased must be a permanent resident of Kwadukuzi Municipality for at least six months							
(c) For permission to erect a tombstone on an occupied grave		R179.00	R203.50		R 170.00	R 193.80	
(d) Provision of extra depth for second interment		R446.00	R508.70		R 425.00	R 484.50	
(e) Reservation of a grave (non-refundable)		R504.00	R574.60		R 480.00	R 547.20	
(f) For the burial of ashes in an existing grave		R168.00	R191.50		R 160.00	R 182.40	
(g) For interment's on Saturday, Sunday or outside normal working hours an additional		R337.00	R384.00		R 320.00	R 364.80	
(h) Wall of remembrance cubicle		R835.00	R951.60		R 795.00	R 906.30	
(i) The digging of a grave previously paid for		R356.00	R634.40		R 530.00	R 604.20	
(j) Plague		R226.00	R257.40		R 215.00	R 245.10	
(k) Exhumation of bodies		R1,113.00	R1,268.80		R 1,060.00	R 1,208.40	
(l) Self dug grave							
(i) Adult		R446.00	R508.70		R 425.00	R 484.50	
(ii) Child up to 10 years		R168.00	R191.50		R 160.00	R 182.40	
(m) A premium of 200% in respect of all the above mentioned tariffs, excluding (b), will be levied on non-residents of Kwadukuzi Municipality							
C2 CREMATORIUM							

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(a)	Cremation fee :						
	(i) Adult: without casket	R620.00	R706.20		R 590.00	R 672.60	
	(ii) Adult: with casket/polished (provided that the lid of the casket is excluded and non-wooden handles removed)	R945.00	R1,077.30		R 900.00	R 1,026.00	
	(i) Child up to 10 years: without casket	R451.00	R514.70		R 430.00	R 490.20	
	(ii) Child up to 10 years: with casket/polished (provided that the lid of the casket is excluded and non-wooden handles are removed)	R673.00	R767.30		R 641.00	R 730.74	
(b)	Cremation fee - indigent :						
	(i) Adult: without casket	R 250.00	R 285.00		R 250.00	R 285.00	
	(ii) Child up to 10 years: without casket	R 85.00	R 96.90		R 85.00	R 96.90	
	An indigent cremation fee will be applicable only if the following are complied with:						
	(i) Cremations must be without caskets.						
	(ii) A request, approved by the Ward Councillor, must be submitted to the cemetery section.						
	(iii) A death certificate or burial order must be submitted.						
(c)	A premium of 100% in respect of the above mentioned tariffs shall be levied on non-residents of Kwa-Dukuza Municipality						
C3	CERTIFICATE IN TERMS OF SECTION 265 OF ORDINANCE 25/1974	R 10.00	R 11.40		R 10.00	R 11.40	
C4	COPIES						
(a)	Any copies of documents, including copies of accounts rendered in respect of any service rendered by the Council, per A4 page, with the exception of C5 and C6 below	R 3.00	R 3.42		R 3.00	R 3.42	
C5	COPY OF BUDGET	R 300.00	R 342.00		R 300.00	R 342.00	
C6	COPY OF AUDITED FINANCIAL STATEMENTS	R 200.00	R 228.00		R 200.00	R 228.00	
	Electronic copies of the Budget and Audited Financial Statements may be downloaded by the applicant from the municipality's website, www.kwadukuza.gov.za , at no cost.						

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1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
 2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

D 1 DEVELOPER'S CONTRIBUTION		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(a) Roads	(i) All new developments with more than 4 units are required to contribute towards a Roads Master Plan Fund as follows:						
	(aa) for the first ten (10) units: per unit.	R1,636.00	R1,865.04		R 1,558.20	R 1,776.35	
	(bb) 11 to 50 units: additional per unit >10	R1,072.00	R1,222.08		R 1,020.78	R 1,163.69	
	(cc) 51 units and more : additional per unit >50	R656.00	R747.84		R 624.34	R 711.75	
	(b) Housing related waivers where Kwadukuz Municipality is the developer of projects funded by the Department of Human Settlements						
	(i) % waiver of developers' contribution in respect of the following types of housing schemes:						
	(aa) Low Income Housing	100%	100%		100%	100%	NEW
	(bb) Community Residential Unit (CRU)	100%	100%		100%	100%	NEW
	(cc) Social Housing	100%	100%		100%	100%	NEW
	(dd) Affordable Housing (FLISP)	50%	50%		50%	50%	NEW
D 2 DISHONOURED NEGOTIABLE INSTRUMENT							
(a)	A penalty charged if a cheque is dishonoured by the bank	R 100.88	R 115.00		R 100.88	R 115.00	
D 3 DUPLICATE RECEIPTS							
(a)	Per receipt	R 5.00	R 5.70		R 5.00	R 5.70	
E 1 ENCROACHMENT FEES (ANNUAL FEES)							
(Subject to Council approval and encroachment agreement)							
(a)	Fixed tariff irrespective of area, per annum						
	(i) Free standing house	R1,558.00	R1,776.12		R 1,484.00	R 1,691.76	
	(ii) Block of residential flats	R2,003.00	R2,283.42		R 1,908.00	R 2,175.12	
	(iii) Non-residential	R3,339.00	R3,806.46		R 3,180.00	R 3,625.20	
(b)	Buildings, per square metre or part thereof						
(c)	Verandah or other posts, per post						
(d)	Balcony with communicating doors:						

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	(i) First floor, per sqm or part thereof					
	(ii) Second floor or higher, per sqm or part thereof					
(e)	Before a permit for a verandah, balcony or pavement opening is granted, the kerbing and channeling and the paving of the footway in front of the building concerned shall be completed, the fee will be cost plus 10% provided that before work is commenced, a deposit equal to the estimated cost plus 10% is deposited with the Chief Financial Officer					
F 1 FACSIMILE OF ANY DOCUMENT						
(a)	Outgoing calls: per document/page	R 7.00	R 7.98		R 7.00	R 7.98
(b)	Incoming: per document/page	R 5.00	R 5.70		R 5.00	R 5.70
F 2 FIRE AND RESCUE CHARGES						
F 2.1 CALL OUT CHARGES						
(a)	Call out charges per hour or portion thereof for manpower, vehicles, equipment, material, water and traveling	Cost plus 15%	Cost plus 15% + VAT		Cost plus 15%	Cost plus 15% + VAT
(b)	For services rendered outside the Municipality boundaries the charges shall be as follows:-					
(i)	Fire fighting and lifesaving operations, per hour			DELETED	Cost + 50%	Cost + 50% + VAT
(ii)	Traveling costs: Fire tenders, per kilometer or part thereof			DELETED	Cost plus 10%	Cost plus 10% + VAT
(iii)	Call out charges per hour or portion thereof for manpower, vehicles, equipment, material, water and traveling	Cost + 50% + VAT	Cost + 50% + VAT	NEW	Cost plus 10%	Cost plus 10% + VAT
(iv)	Subsidised vehicles: The rate per km as paid by Council plus 10%.	Cost plus 10%	Cost plus 10%			
F 2.2 ATTENDANCE CHARGES						
(a)	Attendance for the inspection by the Chief Fire Officer or his/her delegated authority to conduct an inspection at an Event, Public gatherings in order to ensure compliance with safety requirements prior to granting approval	R1,391.00	R1,510.50	RESTRUCTED	R 1,325.00	R 1,510.50
(b)	For the attendance of a member or members of Fire & Emergency Services to perform fire protection duties and or any other associated duty or duties at a place used for any Event or Public gathering.	R500.00 deposit + cost + 10%	R500.00 deposit + cost + 10% + VAT	RESTRUCTED	R500.00 deposit + cost + 10%	R500.00 deposit + cost + 10% + VAT
(c)	For the attendance of a member or members of Fire & Emergency Services to perform fire protection duties and or any other associated duty or duties at a place used for any controlled burning.	R500.00 deposit + cost + 10%	R500.00 deposit + cost + 10% + VAT	RESTRUCTED	R500.00 deposit + cost + 10%	R500.00 deposit + cost + 10% + VAT

1. VALUE ADDED TAX MUST BE ADDED TO ALL FARIPTS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWABUKIZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(d)	Use of chemicals			DELETED	Cost plus 10% upfront + cost + 10% + VAT	R500.00 deposit + cost + 10% + VAT	
(e)	To provide any of the services listed in section F 2.2 above outside the Municipal Area	R1 000.00 deposit + cost + 10% + VAT	R1 000.00 deposit + cost + 10% + VAT		R1 000.00 deposit + cost + 10% + VAT	R1 000.00 deposit + cost + 10% + VAT	
F 2.3 FLAMMABLE LIQUIDS AND GAS CHARGES							
(a)	(i) Application & issuing of certificate of registration - premises	R1,002.00	R1,142.28		R 954.00	R 1,087.56	
	(ii) Application & issuing of certificate of registration - vehicle	R1,002.00	R1,142.28		R 954.00	R 1,087.56	
	(iii) Application & issuing of transfer of certificate of registration	R556.00	R633.84		R 530.00	R 604.20	
	(iv) Annual renewal of certificate of registration	R1,002.00	R1,142.28	NEW			
F 2.4 FIRE PREVENTION CHARGES							
(a)	Submissions of Plans and Issuing of Fire Prevention Documents for						
	(i) L.P.G storage & distribution - not exceeding 500 litres	R2,310.00	R2,507.43	RESTRUCTURED	R 2,199.50	R 2,507.43	
	(ii) LPG Storage sites - not exceeding 500 litres			DELETED, COMBINED WITH (a)(i)	R 2,199.50	R 2,507.43	
	(iii) LPG Storage & distribution sites exceeding 500 litres.	R3,435.00	R3,727.91	RESTRUCTURED	R 3,270.10	R 3,727.91	
	(iv) Fuel distribution sites - not exceeding 1,500 litres	R2,810.00	R3,051.21		R 2,676.50	R 3,051.21	
	(v) Fuel storage sites not exceeding 1,500 litres	R2,810.00	R3,051.21		R 2,676.50	R 3,051.21	
	(vi) Bulk fuel storage/distribution sites	R9,060.00	R9,836.38		R 8,628.40	R 9,836.38	
	(vii) Nitrogen /Hydrogen storage tanks not exceeding 5,000 litres	R4,062.00	R4,410.66		R 3,869.00	R 4,410.66	
	(viii) Nitrogen/Hydrogen storage tanks exceeding 5,000 litres	R6,561.00	R7,123.52		R 6,248.70	R 7,123.52	
	(ix) Dry cleaning rooms	R2,184.00	R2,370.88		R 2,079.72	R 2,370.88	
	(x) Spraying rooms	R2,810.00	R3,051.21		R 2,676.50	R 3,051.21	
	(xi) Fuel pipeline			DELETED	R 2,915.00	R 3,323.10	
	(xii) Ventilation systems			DELETED	R 2,079.72	R 2,370.88	
(b)	Issuing of Fire Prevention Documents						
	(i) Issuing a report on the condition of a premises following an inspection						
	(ii) Issuing a certificate of fire compliance - valid for one year						
(c)	Fireworks and Explosive Charges						

1. VALUE ADDED TAX MUST BE ADDED TO ALL RATES LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
 2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE FROM THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(i) Application for fireworks display	R751.00	R815.67		R 715.50	R 815.67	
	(ii) Application and certificate for the storage of fireworks- less than 500 kg, per inspection	R1,375.00	R1,493.40		R 1,310.00	R 1,493.40	
	(iii) Application and certificate for the storage of fireworks- more than 500 kg, per inspection	R3,612.00	R3,921.60		R 3,440.00	R 3,921.60	
F 2.5 MISCELLANEOUS CHARGES							
(a)	Application to perform a controlled fire burn within the municipal boundaries - non agricultural			DELETED	R 895.70	R 1,021.10	
(b)	Rental of space on a council high site for radio repeater, telemetry system, radio paging system, or any other equipment, per month	R1,336.00	R1,450.08		R 1,272.00	R 1,450.08	
(c)	Escort by the Fire and Emergency Services of an abnormal load by road or rail transport through the Municipal area			DELETED	Cost plus 10%	Cost plus 10% + VAT	
(d)	Written report pertaining to any emergency incident attended to by Fire Department personnel	R390.00	R422.94		R 371.00	R 422.94	
(e)	Performing any of the duties in section F 2.5 outside the Municipal boundary	Applicable deposit + cost + 50%	Applicable deposit + cost + 50% + VAT		Applicable deposit + cost + 50%	Applicable deposit + cost + 50% + VAT	
(f)	Population Certificate, 30 minutes or part thereof - Where premises are required to have a population certification, the account is to be rendered to the premises owner with a clear indication of the service receives : NB: It is compulsory for all night clubs to be in possession of a population certificate.						
(g)	Evacuation	R562.00	R640.68	NEW			
(h)	Offsite Fire Awareness Presentation	R562.00	R640.68	NEW			
F 2.6 HAZARDOUS SUBSTANCES							
CONTROLLED BY ENVIRONMENTAL HEALTH DEPARTMENT							
(a)	Application for certificate of registration - premises			DELETED	R 238.50	R 271.89	
(b)	Application for certificate of registration - vehicle			DELETED	R 238.50	R 271.89	
(c)	Application for transfer of certificate of registration			DELETED	R 238.50	R 271.89	
(d)	Application for the escort of road or rail transport of non- standard hazardous substances through the Municipal area			DELETED	R 595.72	R 679.12	
(e)	Issuing of certification: certificate of registration (Group I) - premises			DELETED	R 595.72	R 679.12	
(f)	Issuing of certification: certificate of registration (Group I) - vehicle			DELETED	R 595.72	R 679.12	
(g)	Issuing of certification: certificate of transfer (Group I)			DELETED	R 595.72	R 679.12	
(h)	Issuing of certification: certificate of registration (Group II) - premises			DELETED	R 715.50	R 815.67	
(i)	Issuing of certification: certificate of registration (Group II) - vehicle			DELETED	R 715.50	R 815.67	
(j)	Issuing of certification: certificate of transfer (Group II)			DELETED	R 715.50	R 815.67	

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2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADIKAZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS							
		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(k)	Issuing of certification: certificate of registration (Group III) - premises			DELETE.	R 837.40	R 954.64	
(l)	Issuing of certification: certificate of registration (Group III) - vehicle			DELETE.	R 837.40	R 954.64	
(m)	Issuing of certification: certificate of transfer (Group III)			DELETE.	R 837.40	R 954.64	
(n)	Issuing of certification: certificate of registration (Group IV) - premises			DELETE.	R 5,957.20	R 6,791.21	
(o)	Issuing of certification: certificate of registration (Group IV) - vehicle			DELETE.	R 5,957.20	R 6,791.21	
(p)	Issuing of certification: certificate of transfer (Group IV)			DELETE.	R 5,957.20	R 6,791.21	
(q)	Escort by the Fire and Emergency Services of road or rail transport of non- standard hazardous substances through the Municipal area			DELETE.	Cost plus 10%.	Cost plus 10% + VAT	
F 2.7 GENERAL NOTES AND CONDITIONS OF BILLING							
(a)	General notes:						
(i)	All certificates issued are valid for a period of one (1) year unless otherwise indicated.						
(ii)	Hazardous materials are grouped as per the definitions given in the Hazardous Substances Act, 1973.						
(b)	Conditions of billing:						
	The following persons shall be jointly and severally liable to the Municipality for the charges payable in terms of this section:						
(i)	The owners of all property damaged or destroyed or under threat of damage or destruction by the fire, accident or other mishap in respect of which the service is rendered or the materials are supplied.						
(ii)	The owners, or their representatives, requesting or requiring a service from the Municipality.						
(iii)	Any person whose wrongful act or omission was the direct or indirect cause of the circumstances which made the rendering of the service necessary in the opinion of the chief of the fire section or any person action with his authority.						
(iv)	The person responsible for whose alarm system was responsible for the summoning of the Fire Department where, in the opinion of the chief of the fire section, such summoning was unwarranted, or there was no reasonable justification therefore.						
	Services rendered by the Fire Department in terms of this section shall be subject to the following conditions:						
(i)	In assessing the charges for services rendered in terms of this section, the period shall be calculated from the time of departure from the fire station up to the time of return to the fire station, due allowance being made for:-						

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	Breakdown or mishap on route, excluding traffic congestion, time occupied by relief personnel in transit, provided that where the fireman or appliance concerned does not for any reason unconnected with the service, return directly to the fire station, the period of assessing the charge shall be calculated up to the time of departure from the site of the service and 15 minutes shall be added.					
	All deposits are non-refundable, however the amount of the deposit will be deducted from the final billable amount.					
G 1.1 GENERAL						
(a)	Interest/administration on arrear accounts:					
(i)	Interest charged on all overdue accounts (except rates)	15.5% per annum	15.5% per annum		15.5% per annum	15.5% per annum
(ii)	Administration charge in respect of arrear rates	10%	10%		10%	10%
(iii)	Interest in respect of arrear rates accounts	15.5% per annum	15.5% per annum		15.5% per annum	15.5% per annum
(iv)	Interest charges on under/over collection of rates in terms of Section 55 (2) of the Municipal Property Rates Act	As per Chapter 9 of the Municipal Property Rates Regulations read with Section 22 of the Local Government: Municipal Rates, Amendment Act		As per Chapter 9 of the Municipal Property Rates Regulations read with Section 22 of the Local Government: Municipal Rates, Amendment Act		
(b)	Protection duties at functions and gatherings	Cost plus 10%	Cost plus 10% + VAT		Cost plus 10%	Cost plus 10% + VAT
G 1.2 GENERAL RECOVERY CHARGES						
	Recovery charges for outstanding accounts for which administration charges have not been charged:					
a)	Normal letter or fax	R 16.00	R 18.24		R 16.00	R 18.24
b)	Registered letter	R 48.00	R 54.72		R 48.00	R 54.72
c)	Telephone calls					
(i)	Local calls (<100km) per call	R 16.00	R 18.24		R 16.00	R 18.24
(ii)	National calls (>100km) per call	R 27.00	R 30.78		R 27.00	R 30.78
d)	E-mails, per e-mail	R 16.00	R 18.24		R 16.00	R 18.24

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
e)	Short messaging services (SMS), per SMS	Cost plus 10%	Cost plus 10% + VAT		Cost plus 10%	Cost plus 10% + VAT	
H 1							
HIRING OUT OF GROUP ACTIVITIES ROOMS - LIBRARIES, AND L.E.D. BOARDROOM							
	When reservations are made, applicants shall pay a deposit of R100,00 which is refundable after the event (after a deduction has been made for breakages etc.)						
(a)	Use for the promotion of culture (Book discussions, art evaluations, musical evenings and similar activities)	No charge	No charge		No charge	No charge	
(b)	Use for any other purpose (excluding parties, discos and other similar functions of a purely social nature) : commercial & other undertakings						
	(i) Evening sessions	R 267,54	R 305,00		R 267,54	R 305,00	
	(ii) Morning sessions	R 162,28	R 185,00		R 162,28	R 185,00	
	(iii) Afternoon sessions	R 162,28	R 185,00		R 162,28	R 185,00	
	(iv) Evening sessions later than 20h00, a charge per hour or part thereof.	R 65,79	R 75,00		R 65,79	R 75,00	
	(v) One hour or less, other than (iv) above	R 65,79	R 75,00		R 65,79	R 75,00	
	(vi) One to three hours	R 0,00	R 0,00		R 0,00	R 0,00	
(c)	Religious services and charitable institutions: per session	R 153,51	R 175,00		R 153,51	R 175,00	
	(i) Provided a session shall not at any time exceed three hours thereafter the charge shall be R40,00 per hour or part thereof.						
	(ii) One hour or less	R 39,47	R 45,00		R 39,47	R 45,00	
(d)	(i) Morning session shall mean between the hours 08:00 and 12:00						
	(ii) Afternoon sessions shall mean between the hours 13:00 and 17:00						
	(iii) Evening sessions shall mean between the hours 17:00 and 21:00 thereafter the charge shall be per hour or part thereof						
(e)	The Municipal Manager or ED: EDP may at his/her discretion authorise the use of the Library Group Activities Room free of charge for activities he/she considers of a deserving nature or in the interest of the community						
(f)	Application for the hire of Activities Rooms must be made on a prescribed form, and motivation for the exemption from payment must also be made on a prescribed form.						

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
H 2	HIRE OF TOWN HALLS, SUPPER ROOM AND COMMUNITY HALLS/CENTRES						
H 2.1	DEPOSITS						
	The following refundable deposits are payable by all applicants to safeguard the Municipality against damages						
	(i) Grade A (Town Hall)	R 1,500.00	R 1,500.00		R 1,500.00	R 1,500.00	
	(ii) Grade B (Community Halls/Centres and Supper Room)	R 500.00	R 500.00		R 500.00	R 500.00	
	(iii) Grade C (Community Support Halls/Centres)	R 500.00	R 500.00		R 500.00	R 500.00	
H 2.2	ENTERTAINMENT FOR OWN PROFIT						
	(i) Grade A (Town Hall)						
	(aa) Evening per Session	R4,176.97	R4,761.75		R 3,978.07	R 4,535.00	
	(bb) Daytime per session	R3,472.37	R3,958.50		R 3,307.02	R 3,600.00	
	(cc) One hour or less	R1,155.92	R1,317.75		R 1,100.88	R 1,255.00	
	(ii) Grade B (Community Halls/Centres and Supper Room)						
	(aa) Evening per Session	R1,388.95	R1,583.40		R 1,322.81	R 1,508.00	
	(bb) Daytime per session	R1,250.79	R1,425.90		R 1,191.23	R 1,358.00	
	(cc) One hour or less	R380.39	R433.65		R 362.28	R 413.00	
	(iii) Grade C (Community Support Halls/Centres)						
	(aa) Evening per Session	R842.76	R960.75		R 802.63	R 915.00	
	(bb) Daytime per session	R759.86	R866.24		R 723.68	R 825.00	
	(cc) One hour or less	R230.27	R262.50		R 219.30	R 250.00	
H 2.3	SOCIAL GATHERINGS, WEDDINGS, PARTIES, ETC (USE WITHOUT PROFIT MOTIVE)						
	(i) Grade A (Town Hall)						
	(aa) Evening per Session	R1,968.29	R2,243.85		R 1,874.56	R 2,137.00	
	(bb) Daytime per session	R1,575.00	R1,795.50		R 1,500.00	R 1,710.00	
	(cc) One hour or less	R534.21	R609.00		R 508.77	R 580.00	
	(ii) Grade B (Community Halls/Centres and Supper Room)						
	(aa) Evening per Session	R617.11	R703.50		R 587.72	R 670.00	
	(bb) Daytime per session	R497.36	R566.99		R 473.68	R 540.00	
	(cc) One hour or less	R170.39	R194.25		R 162.28	R 180.00	
	(iii) Grade C (Community Support Halls/Centres)						

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1. VALUE ADDED TAX MUST BE ADDED TO ALL FAREES LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX) 2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(aa) Evening per Session	R529.61	R603.75		R 504.39	R 575.00	
	(bb) Daytime per session	R446.71	R509.25		R 425.44	R 485.00	
	(cc) One hour or less	R145.53	R165.90		R 138.60	R 158.00	
H 2.4 CULTURAL/RELIGIOUS ACTIVITIES AND OTHER PURPOSES							
	(i) Grade A (Town Hall)						
	(aa) Evening per Session	R589.47	R672.00		R 561.40	R 640.00	
	(bb) Daytime per session	R463.29	R528.15		R 441.23	R 503.00	
	(cc) One hour or less	R165.78	R188.99		R 157.89	R 180.00	
	(ii) Grade B (Community Halls/Centres and Supper Room)						
	(aa) Evening per Session	R308.55	R351.75		R 293.86	R 335.00	
	(bb) Daytime per session	R308.55	R351.75		R 293.86	R 335.00	
	(cc) One hour or less	R87.50	R99.75		R 83.35	R 95.00	
	(iii) Grade C (Community Support Halls/Centres)						
	(aa) Evening per Session	R233.95	R266.70		R 222.81	R 254.00	
	(bb) Daytime per session	R233.95	R266.70		R 222.81	R 254.00	
	(cc) One hour or less	R66.32	R75.60		R 63.16	R 72.00	
H 2.5 PREPARATION TIME/REHEARSALS							
	25% of the applicable tariff						
	The Municipal Manager or ED: EDP may at his/her discretion authorise the use of a hall free of charge for activities he/she considers of a deserving nature or in the interest of the community.						
	Application for the hire of a hall must be made on a prescribed form, and motivation for the exemption from payment must also be made on a prescribed form.						
H 3 HIRE OF MUNICIPAL SPORTS/PLAYGROUNDS/OPEN SPACES							
SPORTS/PLAYGROUNDS							
a)	Charitable organisations (Non -profitable) : Schools, religious organisations, Child Welfare ect. Fund raising events : 2 Days & more						
	(i) Basic Charge (Non- Refundable) (Event Day) per day per ground	R419.12	R477.80		R 399.12	R 455.00	
	(ii) Ground Preparation / Restoration Days - per day per ground	R188.86	R215.30		R 179.82	R 205.00	

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1. VALUE ADDED TAX MUST BE ADDED TO ALL FARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(iii) Refundable deposit (On condition that the ground is maintained in a neat and tidy condition and upon termination of the function the ground be restored to its original conditions)	R1,000.00	R1,000.00		R1,000.00	R1,000.00	
b)	Charitable organisations (Non -profitable) : Schools, religious, organisations, Child Welfare etc ; One day event : i.e. Sports, Fun run etc						
	(i) Basic Charge (Non- Refundable) (Event Day) per day per ground	R198.07	R225.80		R188.60	R215.00	
	(ii) Refundable deposit (On condition that the ground is maintained in a neat and tidy condition and upon termination of the function the ground be restored to its original conditions)	R1,000.00	R1,000.00		R1,000.00	R1,000.00	
(c)	Profit making organisations / Individuals : Making profit for themselves						
	(i) Basic Charge (Non- Refundable) (Event Day) per day per ground	R3,070.18	R3,500.00		R3,070.18	R3,500.00	
	(ii) Ground Preparation / Restoration Days - per day per ground	R307.02	R350.00		R307.02	R350.00	
	(iii) Refundable deposit (Proportionate to damages and on condition that the ground is maintained in a neat and tidy condition and upon termination of the function the ground be restored to its original conditions)	R5,000.00	R5,000.00		R5,000.00	R5,000.00	
	OPEN SPACES						
	Hire fee, per day, for the use of municipal open spaces/vacant lots where any structure or marquee is fixed to the ground						
(a)	Religious organisations or non profit organisations	R100.00	R114.00		R100.00	R114.00	
(b)	Refundable deposit in respect of (a) above	R500.00	R500.00		R500.00	R500.00	
(c)	Commercial and other organisations	R2,000.00	R2,280.00		R2,000.00	R2,280.00	
(d)	Refundable deposit in respect of (c) above	R5,000.00	R5,000.00		R5,000.00	R5,000.00	
H 4	HIRE OF DR BHORAT SWIMMING POOL.						
(a)	Entrance fees						
	(i) Adult	R5.00	R5.00		R5.00	R5.00	
	(ii) Child	R2.00	R2.00		R2.00	R2.00	
(b)	Parties/functions						
	(i) Hire fees, per night	R0.00	R0.00		R0.00	R0.00	
	(ii) Refundable deposit	R0.00	R0.00		R0.00	R0.00	
(c)	Baptisms						

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(i) Hire fees, per person up to 30 people	R 3,95	R 4,50		R 3,95	R 4,50	
	(ii) Hire fees, more than 30 people	R 109,65	R 125,00		R 109,65	R 125,00	
	(d) Monthly fee						
	(i) Per person	R 105,26	R 120,00		R 105,26	R 120,00	
	(ii) Schools	R 150,00	R 171,00		R 150,00	R 171,00	
	(iii) Swimming clubs	R 220,00	R 250,80		R 220,00	R 250,80	
	(e) Annual fee						
	(i) Per person	R 500,00	R 570,00		R 500,00	R 570,00	
	(ii) Swimming clubs	R 1,500,00	R 1,710,00		R 1,500,00	R 1,710,00	
	(f) Truck shop rental	As determined by Council	As determined by Council		As determined by Council	As determined by Council	
I 1 IMPOUNDING OF MOTOR VEHICLES							
	(a) Towing in of motor vehicles	Actual cost + 10% VAT	Actual cost + 10% + VAT		Actual cost + 10% VAT	Actual cost + 10% + VAT	
	(b) Pound fees per day	R 200,00	R 228,00		R 200,00	R 228,00	
	(c) Pound fees - use of breakdown services	Actual cost + 10% VAT	Actual cost + 10% + VAT		Actual cost + 10% VAT	Actual cost + 10% + VAT	
I 2 INFORMAL TRADING TARIFFS							
	(a) Permits for trading in designated areas as determined by the Municipality, per annum (valid for one year from date of issue)	R 175,44	R 200,00		R 175,44	R 200,00	NEW
	(b) Permits for trading at special events as determined by the Municipality, per day or part thereof	R 175,44	R 200,00		R 175,44	R 200,00	NEW
	(c) Permits for seasonal trading at designated beaches as determined by the Municipality, per annum (valid for one year from date of issue)	R 175,44	R 200,00		R 175,44	R 200,00	NEW
L 1 LIBRARIES							
	(a) Membership fee: Non - resident members: payable by borrowers who reside outside the area of jurisdiction of the Municipality						
	(i) Adults	R 40,00	R 40,00		R 40,00	R 40,00	
	(ii) Scholars and pre-school	R 10,00	R 10,00		R 10,00	R 10,00	
	(b) Membership cards						

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2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(i) New membership card			DELETE	R 5.00	R 5.00	
	(ii) Replacement of lost membership card	R 15.00	R 15.00		R 15.00	R 15.00	
	(c) Visitors - temporary						
	Bona fide holiday makers to Kwadukuza who are not ratepayers/residents of the Kwadukuza Municipal area per annum						
	(i) A non-refundable deposit of (limited to 1 book at a time)	R 100.00	R 100.00		R 100.00	R 100.00	
	(ii) An admin fee of	R 15.00	R 15.00		R 15.00	R 15.00	
	(d) Fines						
	(i) Videos per day	R 1.00	R 1.00		R 1.00	R 1.00	
	(ii) Overdue/Lost books, Art Reproductions and CD's per week (Maximum of R20.00)	R 1.00	R 1.00		R 1.00	R 1.00	
	(iii) Project books and best sellers per day	R 0.00	R 0.00		R 0.00	R 0.00	
	(iv) CDs and DVDs per day	R 1.00	R 1.00		R 1.00	R 1.00	
	(e) Photostat Copies						
	Library material						
	(i) Size A4, per sheet - black	R 0.50	R 0.50		R 0.50	R 0.50	
	(ii) Size A3, per sheet - black	R 1.00	R 1.00		R 1.00	R 1.00	
	(iii) Size A4, per sheet - colour	-	-		-	-	
	(iv) Size A3, per sheet - colour	-	-		-	-	
	(f) Other						
	(i) Special requests	-	-		-	-	
	(ii) Internet:						
	(aa) Search (per 30 minute)	-	-		-	-	
	(bb) Printing (per page)	R 1.00	R 1.00		R 1.00	R 1.00	
	(cc) Printing (per page) - colour	R 5.00	R 5.00		R 5.00	R 5.00	
	(iii) Printing from PC (per page)	R 1.00	R 1.00		R 1.00	R 1.00	
	(iv) Printing from PC (per page) - colour	R 5.00	R 5.00		R 5.00	R 5.00	
	(v) Faxes - per page - within KZN	R 4.00	R 4.00		R 4.00	R 4.00	
	(vi) Faxes - per page - outside KZN	R 6.00	R 6.00		R 6.00	R 6.00	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(vii) Sale of old books - hard cover	R 10.00	R 10.00		R 10.00	R 10.00	
	(viii) Sale of old books - paper back	R 5.00	R 5.00		R 5.00	R 5.00	
	(viii) Scanning of information (per page)	R 1.00	R 1.00		R 1.00	R 1.00	
P 1 PARKING FUND CONTRIBUTION							
Calculated as follows:							
	Cost per bay = (P x M) + C						
	P = Size of parking bay ie. 23 sqm						
	M = Land value (as at application date)						
	C = Actual construction cost per bay 23 sqm (Technical Services to provide this information at date of application)						
P 2 PAY PARKING							
(a)	Parking Court at Civic Centre						
	(i) Staff members of the Kwa-Dukuza Municipality						
	(aa) Parking in allocated under cover parking bays for staff members of the Municipality, per month	R 3.20	R 3.65		R 3.20	R 3.65	
(b)	Beach Parking Permits: Per permit: valid from 1 July to 30 June						
	(i) Daily parking permits: per permit (Valid for one day only)	R 10.00	R 11.40		R 10.00	R 11.40	
	(ii) Weekly Beach Pay parking permits: per permit. (Valid for 7 days only)	R 30.00	R 34.20		R 30.00	R 34.20	
	(iii) Annual Beach parking permits: valid from 1 July to 30 June each year	R 100.00	R 114.00		R 100.00	R 114.00	
	(iv) Annual Hospitality Beach Pay Parking Permits: For tourist related business valid from 1 July to 30 June each year.	R 200.00	R 228.00		R 200.00	R 228.00	
(c)	Parking management system; per hour or part thereof						
	(i) Per hour or part thereof	R 5.26	R 6.00	NEW			
P 3 PLOT CLEARING							
(a)	Cutting down and removal of tall grass, weeds, undergrowth, etc.						
	(i) Per square metre	R1.47 per sqm + 10%	R1.47 per sqm + 10% + VAT		R1.40 per sqm + 10%	R1.40 per sqm + 10% + VAT	

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	(b)	Noxious weeds: as per tariff (a) (i), plus a surcharge of 50%			
R 1	RATES CLEARANCE CERTIFICATES				
	(a)	Certificate fee, per certificate - manual	R 270.00	R 307.80	R 270.00
	(b)	Certificate fee, per certificate - electronic	R 150.00	R 171.00	R 150.00
R 2	REFUSE REMOVAL				
	Monthly charges for the amount of services deemed necessary by Council				
	Number of bags per container :				
	bags	3	240 Litre Poly Cart container		
	bags	10	1 M3 Bulk container		
	bags	18	1.75 M3 bulk container		
	bags	40	4 M3 Bulk Container		
R 2.1	(a)	INCLUDING LIMITED GARDEN REFUSE REMOVAL - applicable to domestic customers only			
		Domestic includes dumping surcharge of R12.00			
	(i)	1 X Weekly Domestic	R135.44	R154.40	R 127.80
	(ii)	2 X Weekly Domestic/Bed and Breakfast	R153.07	R174.50	R 144.40
	(iii)	Special rate for Gated Estates : 2 X Weekly Domestic/Bed and Breakfast	R192.72	R219.70	R 181.80
	(iv)	Bulk removal by application/Skip - 1 M3 bulk container	R308.86	R352.10	R 291.40
	(v)	Bulk removal by application/Skip - 1.75 M3 bulk container	R401.49	R457.70	R 378.80
	(vi)	Bulk removal by application/Skip - 8 M3 bulk container	R1,461.54	R1,666.15	R 1,378.80
	(vii)	Bulk removal by application/Skip - 14 M3 bulk container	R2,570.17	R2,930.00	R 2,424.70
	(viii)	Additional refuse charge/s where more than one dwelling exists on a special residential property, per additional dwelling, a further	R98.60	R112.40	R 93.00
(b)	EXCLUDING LIMITED GARDEN REFUSE REMOVAL - commercial customers				
	Commercial includes R12.00 dumping surcharge				
	(i)	1 X Weekly	R179.48	R204.60	R 169.30
	(ii)	2 X Weekly	R210.18	R239.60	R 198.30

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1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)		2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKENZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS					
		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	Otto Bin (Poley Cart) * 2 weekly	R630.61	R718.90		R 594.90	R 678.19	
	3 X Weekly	R247.63	R282.30		R 233.60	R 266.30	
	Otto Bin (Poley Cart) * 3 weekly	R739.12	R842.60		R 697.30	R 794.92	
	4 X Weekly	R294.65	R335.90		R 278.00	R 316.92	
	Otto Bin (Poley Cart) * 4 weekly	R883.68	R1,007.40		R 833.70	R 950.42	
	5 X Weekly	R318.51	R363.10		R 300.50	R 342.57	
	Otto Bin (Poley Cart) * 5 weekly	R952.19	R1,085.50		R 898.30	R 1,024.06	
	Hotels, per number of units per premises as determined by the Ilembe District Municipality from time to time.	R247.63	R282.30		R 233.60	R 266.30	
	6 X Weekly	R385.40	R439.35		R 363.60	R 414.50	
	Otto Bin (Poley Cart) * 6 weekly	R1,156.23	R1,318.10		R 1,090.80	R 1,243.51	
	7 X Weekly	R431.50	R491.90		R 407.10	R 464.09	
	Otto Bin (Poley Cart) * 7 weekly	R1,286.63	R1,466.75		R 1,213.80	R 1,383.73	
	240 litre Poly Cart container - as per agreement with the municipality	R679.57	R774.70		R 641.10	R 730.85	
(c)	EXCLUDING LIMITED GARDEN REFUSE REMOVAL - applicable to domestic customers only						
	Domestic includes dumping surcharge of R12.00						
	(i) 1 X Weekly : Old age Homes	R95.18	R108.50		R 89.80	R 102.37	
	(ii) 1 X Weekly : Designated areas (Subsidised areas)	R95.18	R108.50		R 89.80	R 102.37	
(d)	SPECIAL REMOVAL						
	(i) Special removal by application	Cost plus 20%	Cost plus 20% + VAT		Cost plus 20%	Cost plus 20% + VAT	
	(ii) Garden refuse per load.	Cost plus 20%	Cost plus 20% + VAT		Cost plus 20%	Cost plus 20% + VAT	
	(iii) Builders, dry industrial and other.. by agreement	Cost plus 20%	Cost plus 20% + VAT		Cost plus 20%	Cost plus 20% + VAT	
	(iv) Skip - 6 cubic metres, per removal	Cost plus 20%	Cost plus 20% + VAT		Cost plus 20%	Cost plus 20% + VAT	
R 2.2	DEAD ANIMALS	No Charge	No Charge		No Charge	No Charge	
R 2.3	ABANDONED THINGS INCLUSIVE OF VEHICLES.						
	Removal in terms of section 131 of Ordinance 21 of 1966	Actual cost plus 10%	Actual cost plus 10% + VAT		Actual cost plus 10%	Actual cost plus 10% + VAT	
R 2.4	STORAGE FOR A PERIOD NOT EXCEEDING FOUR MONTHS - per day						
(a)	Use of refuse dump in respect of refuse emanating from property within the Council's area of jurisdiction	Actual cost plus 10%	Actual cost plus 10% + VAT		Actual cost plus 10%	Actual cost plus 10% + VAT	
(b)	Refuse other than that referred to above per cubic metre	R 200.00	R 228.00		R 200.00	R 228.00	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
R 3.1 ROAD TRAFFIC							
(a)	Public Motor Vehicles Fees for the issue of renewal or a permit to use as public motor vehicle stand, public buses including school buses;						
	(i) Buses per annum for each bus	R 100.00	R 114.00		R 100.00	R 114.00	
	(ii) Taxis per annum	R 55.00	R 62.70		R 50.00	R 57.00	
(b)	Escort duties for abnormal loads and/or abnormal vehicles per Traffic Officer per hour or part thereof shall be	Actual cost plus 10%	Actual cost plus 10%, + VAT		Actual cost plus 10%	Actual cost plus 10%, + VAT	
(c)	Issue of Summonses						
	(i) On behalf of other authorities	R 50.00	R 57.00		R 50.00	R 57.00	
	(ii) Execution of a warrant	R 50.00	R 57.00		R 50.00	R 57.00	
	(iii) Non-execution of a warrant	R 15.00	R 17.10		R 15.00	R 17.10	
	(iv) Execution of a warrant	R 50.00	R 57.00		R 50.00	R 57.00	
	(v) Non-execution of a warrant	R 15.00	R 17.10		R 15.00	R 17.10	
R 3.2 ROAD RACING SPORT AND RELATED ACTIVITIES							
(a)	Assistance fee	Cost plus 10%	Cost plus 10% + VAT		Cost plus 10%	Cost plus 10% + VAT	
S 1 BOAT LAUNCHES, PER LAUNCH							
(a)	(i) Persons who are not residents or ratepayers of the Municipality	R 446.75	R 509.30		R 425.44	R 485.00	
	(ii) Ratepayers or residents of the Municipality	R 276.32	R 315.00		R 263.16	R 300.00	
	(iii) Members of licensed launch clubs in Kwadukuza	R 110.53	R 126.00		R 105.26	R 120.00	
(b)	Temporary Permits						
	(i) 7 Days or part thereof	R 105.00	R 119.70		R 100.00	R 114.00	
S 2 SEARCH FEE							
(a)	Search fee for the inspection of any document, other than the minutes of the council, which in the opinion of the Municipal Manager may be released, per document	R 35.09	R 40.00		R 35.00	R 39.90	
(b)	Copy of accounts, per document	R 35.09	R 40.00		R 35.00	R 39.90	
(c)	Search fee not covered	R 35.09	R 40.00		R 35.00	R 39.90	
(d)	Surveillance footage (Per Disc)	R 175.44	R 200.00	NEW			
S 3 SERVICES IN RESPECT OF WORK NOT PROVIDED FOR:							

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	Any work undertaken or tariffs for which no specific provision exists in the Tariff of Charges	Cost plus 10% VAT	Cost plus 10% + VAT	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	NOTE:						
	The Chief Financial Officer shall have the right to require payment in advance of any amount estimated to be the cost of the service of work, provided that when the final cost is known, any shortfall shall be recovered by the Chief Financial Officer, or any amount by which the sum deposited exceeds the final cost shall be refunded.						
T 1 TOWN PLANNING (A)							
(a)	(i) Town Planning Scheme Documents - Electric Copy	R1,200.00	R1,368.00	NEW			
	(ii) Town Planning Scheme Documents - Hardcopy	R1,500.00	R1,710.00		R 1,000.00	R 1,140.00	
(b)	Town Planning Scheme maps, per Sheet A-O (Colour)	R250.00	R285.00		R 630.70	R 719.00	
	(i) A1 (Colour)	R130.00	R148.20				
	(ii) A2 (Colour)	R70.00	R79.80				
	(iii) A3 (Colour)	R35.00	R39.90				
	(iv) A4 (Colour)	R15.00	R17.10				
(c)	Town Planning Zoning Certificate	R210.00	R239.40		R 200.00	R 228.00	
(d)	Special Consent Applications in terms of Section 67 b(2) of the Natal Town Planning Ordinance, 1949 as amended			DELETE			
	(i) Table C applications: application for change of usage under Town Planning Scheme, per application			DELETE	R 3,291.30	R 3,752.08	
	(ii) Formal authority and relaxation applications: building line/side space etc			DELETE	R 1,219.00	R 1,389.66	
(e)	Environmental levy						
	Payable before opening of township register or alternatively as per service agreement for each additional subdivision created	R361.73	R412.37		R 344.50	R 392.73	
(f)	Encroachment Applications (processing)	R1,279.95	R1,459.14		R 1,219.00	R 1,389.66	
(g)	Site Development Application (SDP)						
	(i) Under one (1) ha	R 1,070.60	R 1,220.48		R 1,070.60	R 1,220.48	
	(ii) 1 ha but less than 5 ha	R 1,574.10	R 1,794.47		R 1,574.10	R 1,794.47	
	(iii) greater than 5 ha	R 2,284.30	R 2,604.10		R 2,284.30	R 2,604.10	
(h)	GIS copies						

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1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KYADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	Search fee, per document	R 65.00	R 74.10		R 65.00	R 74.10	
	Line map - full colour, cadastral and polygon shape with hatch (This is to include PDF or other digital format)			AMENDED			
(i)	Paper - A4 copy	R42.00	R47.88		R 30.25	R 34.49	
	Film - A4 copy			DELETE	R 35.90	R 39.90	
	Digital map (PDF or other digital format)	R42.00	R47.88	NEW			
(ii)	Paper - A3 copy	R58.00	R66.12		R 46.00	R 52.44	
	Film - A3 copy			DELETE	R 58.00	R 66.12	
	Digital map (PDF or other digital format)	R42.00	R47.88				
(iii)	Paper - A2 copy	R105.00	R119.70		R 94.00	R 107.16	
	Film - A2 copy			DELETE	R 105.00	R 119.70	
	Digital map (PDF or other digital format)	R42.00	R47.88				
(iv)	Paper - A1 copy	R152.00	R173.28		R 140.00	R 159.60	
	Film - A1 copy			DELETE	R 152.00	R 173.28	
	Digital map (PDF or other digital format)	R42.00	R47.88				
(v)	Paper - A0 copy	R234.00	R266.76		R 229.90	R 262.09	
	Film - A0 copy			DELETE	R 234.00	R 266.76	
	Digital map (PDF or other digital format)	R42.00	R47.88				
	Digital						
(i)	Cadastral only			DELETE			
(aa)	Up to 100 ha, per 10 ha			DELETE	R 1.20	R 1.37	
(bb)	Up to 200 ha, per 10 ha			DELETE	R 0.95	R 1.08	
(cc)	Up to 300 ha, per 10 ha			DELETE	R 0.60	R 0.68	
(dd)	More than 300 ha, per 10 ha			DELETE	R 0.35	R 0.40	
(ii)	Cadastral with datasets eg. zoning, land use, etc (excluding air photo)			DELETE			
(aa)	Up to 100 ha, per 10 ha			DELETE	R 1.80	R 2.05	
(bb)	Up to 200 ha, per 10 ha			DELETE	R 1.50	R 1.71	
(cc)	Up to 300 ha, per 10 ha			DELETE	R 1.20	R 1.37	
(dd)	More than 300 ha, per 10 ha			DELETE	R 0.95	R 1.08	
(iii)	Air photo			DELETE			
(aa)	Up to 100 ha, per 10 ha			DELETE	R 2.42	R 2.76	
(bb)	Up to 200 ha, per 10 ha			DELETE	R 1.95	R 2.22	

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L. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
 APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(cc) Up to 300 ha, per 10 ha			DELETE	R 1.82	R 2.07	
	(dd) More than 300 ha, per 10 ha			DELETE	R 1.40	R 1.60	
	(iv) Digital extract of CAD/GIS Shapefile data			NEW			
	(aa) 0 - 999KB or part thereof	R 65.79	R 75.00	NEW			
	(bb) 1MB - 5MB (Per MB)	R 131.58	R 150.00	NEW			
	(cc) More than 5MB (Per MB)	R 87.72	R 100.00	NEW			
(i)	Issuing of SG diagram	R 65.00	R 74.10		R 65.00	R 74.10	NEW
(j)	Kwadukuza Municipality By-Laws (Hardcopy Only):						
	(i) Spatial Planning and Land Use Management By-Laws	R 1,000.00	R 1,140.00	NEW			
	(ii) Cellular Telecommunication Infrastructure Policy	R 500.00	R 570.00	NEW			
	(iii) Tavern Policy	R 500.00	R 570.00	NEW			
	(iv) Human Settlement Plan (currently being prepared)	R 500.00	R 570.00	NEW			
T 2 TOWN PLANNING (B)							
Tariffs in terms of relevant planning legislation				AMENDED			
(a)	Development Applications						
	(i) Submission of Pre-Submission Application : fee to be charged to the applicant or agent or agent on behalf of applicant	R 840.00	R 957.60	AMENDED	R 800.00	R 912.00	NEW
	(ii) Re-submission of a Pre-submission Application referred back to applicant/agent : fee to be charged to the applicant or agent on behalf of applicant	R 525.00	R 598.50	AMENDED	500.00	R 570.00	NEW
(b) Schemes (The adoption, replacement and amendment of schemes)							
	(i) Addition of new scheme area or replacement of scheme (per application)						
	(aa) Under half a ha	R 4,541.25	R 5,177.03		R 4,325.00	R 4,930.50	
	(bb) Half a ha but under one ha	R 5,313.00	R 6,056.82		R 5,060.00	R 5,768.40	
	(cc) 1 ha but less than 5 ha	R 6,069.00	R 6,918.66		R 5,780.00	R 6,589.20	
	(dd) 5 ha but less than 10 ha	R 6,835.50	R 7,792.47		R 6,510.00	R 7,421.40	
	(ee) 10 ha	R 7,591.50	R 8,654.31		R 7,230.00	R 8,242.20	

1. VALUE ADDED TAX MUST BE ADDED TO ALL FARMERS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)		2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKOZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(ff) Per ha greater than 10 ha			R66.25	R77.81		R 65.00	R 74.10	
	(ii) Scheme amendment(s) - (per application)								
	(aa) Under half a ha			R7,591.50	R8,654.31		R 7,230.00	R 8,242.20	
	(bb) Half a ha but under one ha - as per under half a ha			R7,591.50	R8,654.31		R 7,230.00	R 8,242.20	
	(cc) 1 ha but less than 5 ha			R9,077.25	R10,348.07		R 8,645.00	R 9,855.30	
	(dd) 5 ha but less than 10 ha			R9,791.25	R11,162.03		R 9,325.00	R 10,630.50	
	(ee) 10 ha			R10,631.25	R12,119.63		R 10,125.00	R 11,542.50	
	(ff) Per ha greater than 10 ha			R451.50	R514.71		R 430.00	R 490.20	
	(iii) Consent i.e. scheme(s) - per application								
	(aa) Land use consent			R3,496.50	R3,986.01		R 3,330.00	R 3,796.20	
	(bb) Relaxation consent			R1,286.25	R1,466.33		R 1,225.00	R 1,396.50	
c)	Township establishments (Subdivision and consolidation or extension of township boundary)								
	(i) Consolidation, subdivision and approval of layout - township approval								
	(aa) Basic Fees			R1,065.75	R1,214.96		R 1,015.00	R 1,157.10	
	(bb) Plus charge, per subdivision (including the remainder)			R330.75	R377.06		R 315.00	R 359.10	
	(cc) Amendment to an existing subdivision before approval of layout plan by SG (per subdivision)			R1,065.75	R1,214.96		R 1,015.00	R 1,157.10	
	(ii) Amendment, phasing, cancellation of approved layout plan								
	(aa) Basic Fees			R1,065.75	R1,214.96		R 1,015.00	R 1,157.10	
	(bb) Plus charge, per extra subdivision created			R330.75	R377.06		R 315.00	R 359.10	
	(cc) Amendment to an existing subdivision			R1,065.75	R1,214.96		R 1,015.00	R 1,157.10	
(d)	Development of land outside scheme (Application) Will apply to areas that do not have detailed schemes and/or until KDM LUMS is in effect					AMENDED			
(i)	Application for development of land for an activity listed under Schedule 3 of the KDM SPLUMA By-law (except for a Telecommunication Mast)					NEW			
(aa)	Under half a ha			R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(bb) Half a ha but under one ha - as per under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	
	(cc) 1 ha but less than 5 ha	R8,993.25	R10,252.31		R 8,565.00	R 9,764.10	
	(dd) 5 ha but less than 10 ha	R9,696.75	R11,054.30		R 9,235.00	R 10,527.90	
	(ee) 10 ha	R10,536.75	R12,011.90		R 10,035.00	R 11,439.90	
	(ff) Per ha greater than 10 ha	R451.50	R514.71		R 430.00	R 490.20	
(c)	Alteration, suspension and deletion of restrictions relating to land						
	(i) Alterations, suspension and removal restrictive Title conditions (Title Deeds)	R 5,000.00	R 5,700.00		R 5,000.00	R 5,700.00	NEW
	(ii) Cancellation or phasing of approved layout plans	R 5,000.00	R 5,700.00		R 5,000.00	R 5,700.00	NEW
	(iii) Removal, amendment or suspension of a servitude condition (Title Deeds)	R 5,000.00	R 5,700.00	NEW			NEW
(f)	Development of land in terms of condition of title						
	(i) Under half a ha	R7,512.75	R 8,564.54		R 7,155.00	R 8,156.70	
	(ii) Half a ha but under one ha - as per under half a ha	R7,512.75	R 8,564.54		R 7,155.00	R 8,156.70	
	(iii) 1 ha but less than 5 ha	R8,993.25	R 10,252.31		R 8,565.00	R 9,764.10	
	(iv) 5 ha but less than 10 ha	R9,696.75	R 11,054.30		R 9,235.00	R 10,527.90	
	(v) 10 ha	R10,536.75	R 12,011.90		R 10,035.00	R 11,439.90	
	(vi) Per ha greater than 10 ha	R451.50	R 514.71		R 430.00	R 490.20	
(g)	Permanent closure of public places and roads (Chapter 7 of the PDA: Not in effect)						
	(i) Land Use consent						
	(aa) Under half a ha	R7,512.75	R 8,564.54	NEW	R 3,330.00	R 3,796.20	
	(bb) Half a ha but under one ha - as per under half a ha	R7,512.75	R 8,564.54				
	(cc) 1 ha but less than 5 ha	R8,993.25	R 10,252.31				
	(dd) 5 ha but less than 10 ha	R9,696.75	R 11,054.30				
	(ee) 10 ha	R10,536.75	R 12,011.90				
	(ff) Per ha greater than 10 ha	R451.50	R 514.71				
	(ii) Relaxation consent	R1,286.25	R 1,466.33				
(h)	Authorisation of an unlawful activity where the activity results in a scheme amendment application				R 1,225.00	R 1,396.50	
(i)	PENALTY FEE	R20,000.00	R20,000.00		R 10,000.00	R 10,000.00	
(aa)	Residential - Land Use	5%	5%	NEW			
(bb)	Non Residential - Land Use	10%	10%	NEW			
(ii)	Under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(iii) Half a ha but under one ha - as per under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	
	(iv) 1 ha but less than 5 ha	R8,993.25	R10,252.31		R 8,565.00	R 9,764.10	
	(v) 5 ha but less than 10 ha	R9,696.75	R11,054.30		R 9,235.00	R 10,527.90	
	(vi) 10 ha	R10,536.75	R12,011.90		R 10,035.00	R 11,439.90	
	(vii) Per ha greater than 10 ha	R451.50	R514.71		R 430.00	R 490.20	
(i)	Authorisation of an unlawful activity where the activity results in a special consent application						
	(i) PENALTY FEE	R20,000.00	R20,000.00		R 5,000.00	R 5,000.00	
	(aa) Residential - Land Use	5%	5%	NEW			
	(bb) Non Residential - Land Use	10%	10%	NEW			
	(ii) Under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	
	(iii) Half a ha but under one ha - as per under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	
	(iv) 1 ha but less than 5 ha	R8,993.25	R10,252.31		R 8,565.00	R 9,764.10	
	(v) 5 ha but less than 10 ha	R9,696.75	R11,054.30		R 9,235.00	R 10,527.90	
	(vi) 10 ha	R10,536.75	R12,011.90		R 10,035.00	R 11,439.90	
	(vii) Per ha greater than 10 ha	R451.50	R514.71		R 430.00	R 490.20	
(i)	Authorisation of an unlawful activity where the activity results in a removal of condition of title application						
	(i) PENALTY FEE	R20,000.00	R20,000.00		R 10,000.00	R 10,000.00	
	(aa) Residential - Land Use	5%	5%	NEW			
	(bb) Non Residential - Land Use	10%	10%	NEW			
	(ii) Under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	
	(iii) Half a ha but under one ha - as per under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.70	
	(iv) 1 ha but less than 5 ha	R8,993.25	R10,252.31		R 8,565.00	R 9,764.10	
	(v) 5 ha but less than 10 ha	R9,696.75	R11,054.30		R 9,235.00	R 10,527.90	
	(vi) 10 ha	R10,536.75	R12,011.90		R 10,035.00	R 11,439.90	
	(vii) Per ha greater than 10 ha	R451.50	R514.71		R 430.00	R 490.20	
(k)	Authorisation of an unlawful activity where the activity results in an application for development of land						
	(i) PENALTY FEE	R20,000.00	R20,000.00		R 10,000.00	R 10,000.00	
	(aa) Residential - Land Use	5%	5%	NEW			
	(bb) Non Residential - Land Use	10%	10%	NEW			

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(ii) Under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.76	
	(iii) Half a ha but under one ha - as per under half a ha	R7,512.75	R8,564.54		R 7,155.00	R 8,156.76	
	(iv) 1 ha but less than 5 ha	R8,993.25	R10,252.31		R 8,565.00	R 9,764.10	
	(v) 5 ha but less than 10 ha	R9,696.75	R11,054.30		R 9,235.00	R 10,527.90	
	(vi) 10 ha	R10,536.75	R12,011.90		R 10,035.00	R 11,439.96	
	(vii) Per ha greater than 10 ha	R451.50	R514.71		R 430.00	R 490.20	
(l)	Access to information						
	(i) Search fee, per document				R 35.00	R 39.90	
	(ii) Printing/copying, per page				R 3.00	R 3.42	
(m)	Appeal fees - Deposit fee when lodging an appeal (Refundable if Appeal upheld)	R10,000.00	R11,400.00	NEW	R 6,900.00	R 7,866.00	
	The following non refundable fees for the following categories shall apply						
	(i) Relaxation consent	R7,500.00	R8,550.00	NEW			
	(ii) Land use consent	R10,000.00	R11,400.00	NEW			
	(iii) Subdivisions Only (less than 20 subdivisions including portions)	R10,000.00	R11,400.00	NEW			
	(iv) Subdivisions Only (more than 20 subdivisions including portions)	R12,500.00	R14,250.00	NEW			
	(v) Scheme amendment(s)	R15,000.00	R17,100.00	NEW			
	(vi) Rezoning	R20,000.00	R22,800.00	NEW			
	(vii) The following amount will be added on appeals emanating from applications for Authorisation of unlawful activity	R5,000.00	R5,700.00	NEW			
(n)	Amendment of approved Conditions of Establishment (and any related documentation) approved for a development application, in terms of the KZN PDA, 2008, TOWN PLANNING ORDINANCE, 1949 (or any 'previous' legislation)			AMENDED			
	(i) Amendment of documentation relating to development application approval (Conditions of Establishment)	R 250.00	R 285.00	NEW	R 250.00	R 285.00	NEW
	(ii) Amendment of any and all documentation relating to lodging of deeds, plans and or documents with Registrar of Deeds	R 250.00	R 285.00	NEW	R 250.00	R 285.00	NEW
(o)	The extension or replacement of a building on a property that is used for the purpose defined in Schedule 3, notwithstanding that municipal planning approval was not required at the time that the use of the original building for that purpose commenced	R 3,496.50	R 3,986.01	NEW			
(p)	Notarial tying adjacent properties	R 1,000.00	R 1,140.00	NEW			
(q)	The extension of a sectional title scheme by the addition of land to common property in terms of section 26 of the Sectional Titles Act	R 1,000.00	R 1,140.00	NEW			
(r)	A material change to a Municipality's decision on an application for a municipal planning approval	R 500.00	R 570.00	NEW			
(s)	The cancellation of a municipality's decision on an application for municipal planning approval, except a decision to adopt or amend a land use scheme	R 500.00	R 570.00	NEW			

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NOTE: Penalties for the non-compliance of legislation and bylaws of Kwadukuza Municipality shall be payable on a fee structure as endorsed by the Magistrate's Court

NEW

V 1 VALUATION ROLL RELATED TARIFFS

(a)	Valuation roll per township per copy - electronic copy	R 150.00	R 171.00	R 150.00	R 171.00	
(b)	Valuation roll for whole Kwadukuza area per copy - electronic copy	R 600.00	R 684.00	R 600.00	R 684.00	
(c)	Valuation appeal fee, per property, non-refundable	R 650.00	R 741.00	R 650.00	R 741.00	
(d)	Prescribed fee, in terms of S53 (2) of the Municipal Property Rates Act	R 850.00	R 969.00	R 850.00	R 969.00	
(e)	Section 78 valuation review	R 750.00	R 855.00	R 750.00	R 855.00	
(f)	Valuation Certificate	R 20.00	R 22.80	R 20.00	R 22.80	
(g)	Returns of property transfers, as supplied by the Registrar of Deeds					
(i)	First inspection by any ratepayer in connection with any appeal which he may contemplate	R 7.50	R 8.55	R 7.50	R 8.55	
(ii)	For inspection other than as provided above	R 15.00	R 17.10	R 15.00	R 17.10	
(iii)	For copies, per property transferred	R 6.50	R 7.41	R 6.50	R 7.41	

X1 SUPPLY OF ELECTRICITY

Designated electrical installations shall mean electrical wiring installations within dwelling units, community halls, or such like public facilities, subsidized by National, Provincial, or Local Government

X1.1 INSTALLATION OF ELECTRICITY SERVICES:

X1.1.1	(a)	The charges payable to the Kwadukuza Municipality ("KDM") for the "installation" of services shall be as per the tariffs listed hereunder:				
	(b)	Any and all headings used in this section are for convenience only. Although the heading of this section contains the word "Installation", this section does not only deal with installation but contains the KDM's charges for both the provision and installation of electrical and allied services.				
	(c)	All the charges referred to in this section, whether estimated or final, shall be paid to KDM prior to any connection or installation.				
	(d)	All the charges listed hereunder must be paid unless exempted in terms of a written agreement concluded with the municipality.				

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(e)	In the case of a proposed sectional title development, or a proposed share block scheme, or a proposed commercial development, only the registered owner at the time (and not any future owner(s) or "developer") may apply for and be granted electrical services.						
X1.1.2	Standard Services						
	Only prepayment or electronic meters with online reading facilities will be installed in farm areas						
X1.1.3	DEMAND BASED COMPONENT ("DBC")						
(a)	(i) Indigent persons: The DBC charge is not applicable to any dwelling or unit occupied by person(s) registered as being indigent with the KDM / its Council. In the case of dwelling units within which persons registered with Council as being indigent reside, the circuit breaker capacity shall be limited to 20 Ampere Single Phase.						
	(ii) NEW Installations (Council Developed)						
	Low Income Unit	Exempt	Exempt		Exempt	Exempt	
	Community Residential Unit	Exempt	Exempt		Exempt	Exempt	
	Social Housing Units	Exempt	Exempt		Exempt	Exempt	
	Affordable/ Gap Unit (Approved as FLISP)	50% OF THE FEES PAID BY NORMAL DEVELOPMENT			50% OF THE FEES PAID BY NORMAL DEVELOPMENT		
(b)	Irrespective of any payment made by the developer for the provision of a firm bulk electrical supply in terms of a services agreement entered into between the Municipality and the developer concerned, the DBC charge shall be payable as stated in X1.1.3 (c) below unless exempted by written agreement concluded with KDM.						
(c)	The DBC charge is levied and payable by and in respect of –						
	(i) each unit / dwelling / flat on a property (owner occupied or owner let properties);						
	(ii) each and every unit / dwelling unit / section in a sectional title or shareblock development, irrespective of whether or not there is a change in the erf number.						
(d)	The charges for the DBC are-						
	The charge per kVA applied for as recorded on the official supply application document PER kVA shall be	R3,500.00	R3,990.00		R3,500.00	R3,990.00	
(i)	Single phase 60 Amp = 13.8 kVA Load - KVA (admin) = 4.7 kVA						
	Basic Demand Based Component	R 16,450.00	R 18,753.00		R 16,450.00	R 18,753.00	
	Plus: Complete Service Connection Component including cables etc	Cost + 10%			Cost + 10%		
	OR Partial Service connection (Not including cables)	Cost + 10%			Cost + 10%		
	Places of worship: (a) 50% rebate be applicable at the time of application						
	(b) Demand contribution is payable over six months without attracting interest						

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(c) The rebate structure is only granted once to a religious organisation	(d) Should the premises be sold off at a later stage and should the use of the premises change, the new owner will be compelled to pay in the difference between the full approved tariff of charges at that point in time and what was paid in as a charge at the time of application for electricity by the religious organisation.						
(ii) Three Phase (Maximum 60A) - (1.73x4.7 = 8.131kVA)							
Basic Demand Based Component		R 28,458.50	R 32,442.69		R 28,458.50	R 32,442.69	
Plus: Complete Service Connection Component including cables etc		Cost + 10%			Cost + 10%		
OR Partial Service connection (Not including cables)		Cost + 10%			Cost + 10%		
Places of worship: (a) 75% rebate be applicable at the time of application							
(b) Demand contribution is payable over six months without attracting interest							
(c) The rebate structure is only granted once to a religious organisation							
(d) Should the premises be sold off at a later stage and should the use of the premises change, the new owner will be compelled to pay in the difference between the full approved tariff of charges at that point in time and what was paid in as a charge at the time of application for electricity by the religious organisation.							
(iii) Three Phase (Maximum 150A) - (1.73x2.5x4.7 = 20.33kVA)							
Basic Demand Based Component		R 71,155.00	R 81,116.70		R 71,155.00	R 81,116.70	
Plus: Service Connection Component		Cost + 10%			Cost + 10%		
Places of worship: (a) 75% rebate be applicable at the time of application							
(b) Demand contribution is payable over six months without attracting interest							
(c) The rebate structure is only granted once to a religious organisation							
(d) Should the premises be sold off at a later stage and should the use of the premises change, the new owner will be compelled to pay in the difference between the full approved tariff of charges at that point in time and what was paid in as a charge at the time of application for electricity by the religious organisation.							
(iv) Three Phase (Maximum 80 A) - (1.73x1.33x4.7 = 10.81)							
Basic Demand Based Component		R 37,835.00	R 43,131.90		R 37,835.00	R 43,131.90	
Plus: Complete Service Connection Component including cables etc		Cost + 10%			Cost + 10%		
OR Partial Service connection (Not including cables)		Cost + 10%			Cost + 10%		
Places of worship: (a) 75% rebate be applicable at the time of application							
(b) Demand contribution is payable over six months without attracting interest							
(c) The rebate structure is only granted once to a religious organisation							
(d) Should the premises be sold off at a later stage and should the use of the premises change, the new owner will be compelled to pay in the difference between the full approved tariff of charges at that point in time and what was paid in as a charge at the time of application for electricity by the religious organisation.							

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	(v)	2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	Basic Demand Based Component for every 3K25A or part thereof (= 17,25kVA) - (1.73x0.42x4.7=3.42)	R 11,970.00	R 13,645.80		R 11,970.00	R 13,645.80	
	Plus: Service Connection Component	Cost + 10%			Cost + 10%		
	Places of worship: (a) 75% rebate be applicable at the time of application						
	(b) Demand contribution is payable over six months without attracting interest						
	(c) The rebate structure is only granted once to a religious organisation						
	(d) Should the premises be sold off at a later stage and should the use of the premises change, the new owner will be compelled to pay in the difference between the full approved tariff of charges at that point in time and what was paid in as a charge at the time of application for electricity by the religious organisation.						
X1.1.4	Service Connection Component	Cost + 10%			Cost + 10%		
X1.1.5	Network connection charge	Cost + 1%			Cost + 1%		
	The fees calculated must be paid upfront by the developer prior to any electrical supply being made available						
X1.1.6	Bulk Supplies and Internal Services for Developments						
	(a) KDM's charges for bulk supplies and internal services for developments are usually regulated by a written agreement between a party and the KDM.						
	(b) The developer / registered owner is liable for all wiring and reticulation costs from any bulk meter to the individual units, and also liable for all "internal" wiring and reticulation costs.						
X1.1.7	Ad Hoc 11kV/420 V Installations for Commercial and Service Industry (excluding residential developments)						
	Basic Demand Based Component Per kVA	R 3,500.00	R 3,990.00		R 3,500.00	R 3,990.00	
X1.1.8	Plus: Service Connection Component As indicated below	Cost + 10%			Cost + 10%		
	General						
	(a) Where the requirements of any one or more consumers / Applicant(s) ("consumer") necessitate, in the opinion of the KDM, the specific installation of one or more transformers together with associated switchgear, such consumer shall be responsible for the cost of such installation.						
	(b) In designing such an installation, as provided for above, it shall be competent for the Council to install a transformer with a larger capacity than that called for by the Applicant(s), provided that :-						
	(aa) The amount payable by the Applicant(s) shall be pro-rated accordingly; and council shall have the right to use any such excess capacity for such other needs as it deems fit.						
	(bb) In respect of all such installations, the Applicant(s) shall be required to provide a chamber, to the Council's requirements, in which any such transformers, switchgear and equipment shall be accommodated.						

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(c)	Where application is made for an increased supply and sufficient spare capacity exists on the transformer of greater capacity, the consumer(s) shall in addition to the charges as provided for in these by-laws, be charged the pro-rata cost of the addition						
(d)	Approved unmetered supplies for Floodlighting, Telephone Booth Lighting, Illuminated Displays, Streetlights, traffic control installation, Electronic boom controllers, Levels indicators, Security Cameras, and Two Way Radio Installations:-						
	Basic Demand Based Component per luminaire	R111.39	R126.98		R 106.59	R 121.51	
	Basic Demand Based Component per signal head	R111.39	R126.98		R 106.59	R 121.51	
	Basic Demand Based Component Per Installation/site	R111.39	R126.98		R 106.59	R 121.51	
	Plus Supply Connection Component						
X1.1.9	Conversion of existing connection						
(a)	It is recorded that to the conversion charge in X1.1.9(b) below, must be added the charges in X1.1.3, X1.1.4, X1.1.5, X1.1.6, and X1.1.7 above.						
(b)	The conversion of any existing supply shall be	Cost + 10% plus difference between existing kVA and conversion kVA plus the difference in the demand based component			Cost + 10% plus difference between existing kVA and conversion kVA plus the difference in the demand based component		
	Installation of Subsidised Budget Energy Controller						
(i)	A complete service connection inclusive of conventional ready board and a hot plate payable prior to connection, applicable in designated areas only, via a single span connection in areas approved by Council shall be	R159.46	R181.78		R 152.59	R 173.95	
(ii)	A complete service connection inclusive of conventional ready board, excluding hot plate, payable prior to connection, applicable in designated areas only, via a single span connection in areas approved by Council shall be	R53.51	R61.00		R 50.99	R 58.13	
(iii)	Conversion of existing conventional metering installation to BEC after the approval of an application received for indigent support (excluding hot plate)	No Charge			No Charge		
(iv)	Duplicate Meter Identity Access Cards for the buying of power from Validators	R 20.18	R 23.00		R 20.00	R 22.80	
X1.2	TESTING OF SERVICE METERS						
a)	Installation inside municipal area payable prior to the service being rendered	R 490.00	R 558.60		R 490.00	R 558.60	
X1.3	ADDITIONAL METERS:						
a)	Where an extra single phase meter is required on premises already connected to the Council's mains and where the load can, in the opinion of the Engineer, be safely carried on the existing service connection, the charge shall be	Cost plus 10%			Cost plus 10%		

L. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX) 2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

2016/17 (EXCL VAT)

2016/17 (INCL VAT)

COMMENTS

2015/16 (EXCL VAT)

2015/16 (INCL VAT)

COMMENTS

Subject to a deposit calculated to cover the full estimated cost of work, which payment shall be adjusted either way, on completion of the work.

b) Where off-peak metering equipment is required by a consumer such installation shall be carried out at the consumer's expense

Cost plus 10%

Cost plus 10%

Subject to a deposit calculated to cover the full estimated cost of work, which payment shall be adjusted either way, on completion of the work.

The Council shall by resolution, determine the hours during which the off-peak tariffs shall be effective.

XI.4 DISCONNECTION AND RECONNECTION CHARGES

a) If any person neglects to pay any charge for electricity or any other sum due to the council in respect of the supply thereof or the rendering of any service including refuse removal or of the installation or supply of fittings, apparatus, appliances or other items in connection therewith, by the date stipulated on the account rendered, the Council may cut off such supply and for that purpose may cut or disconnect any pipe, electric wire, line or other work through which the electricity or water may be supplied, and may, until such charge or other sum together with the cost incurred by the Council in cutting off and reconnecting such supply of electricity or water, is fully paid, discontinue the supply thereof to such person

b) The charges where a written notice for the non-payment of an account have been issued shall be

Cost of registered letter

Cost of registered letter

c) The charges where a written notice for non-compliance of an installation shall be

Cost of registered letter

Cost of registered letter

d) The charge for disconnection/reconnection of any premises from the mains for the non-payment of an account by a meter reader personnel/contractor shall be

R665.50

R758.67

R 605.00

R 689.70

e) The charge for any disconnection or reconnection of any premises for any reason, which involves or necessitates the services of Council's Electrical maintenance personnel shall be

Cost plus 10%

Cost plus 10%

f) The charge for meter tampering for domestic properties:

(aa) First offence plus averaged consumption monitored over a 6 month period

R5,324.00

R6,069.36

R 4,840.00

R 5,517.60

(bb) Second offence in terms of the Credit Control Policy

R7,320.50

R8,345.37

R 6,655.00

R 7,586.70

(ii) The charge for illegal connection to the electricity supply network for residential properties:

(aa) First offence without legal connection from Council (where demand based component is not raised)

R7 986.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component

R9 104.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component

R7 260.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component

R8 276.40 + New services connection fee as determined by the Technical Services Dept + Demand Based Component

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(bb) Second offence without legal connection from Council (where demand based component is not raised)	R9 982.50 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	R11 380.05 + New services connection fee as determined by the Technical Services Dept + Demand Based Component		R9 075.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	R10 345.50 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	
e)	(i) The charge for meter tampering for commercial properties will be:-						
	(aa) First offence plus averaged consumption monitored over a 6 month period	R7,986.00	R9,104.04		R 7,260.00	R 8,276.40	
	(bb) Second offence in terms of the Credit Control Policy	R10,648.00	R12,138.72		R 9,680.00	R 11,035.20	
	(ii) The charge for illegal connection to the electricity supply network for commercial properties:						
	(aa) First offence without legal connection from Council (where demand based component is not raised)	R10 648.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	R12 138.72 + New services connection fee as determined by the Technical Services Dept + Demand Based Component		R9 680.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	R11 035.20 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	
	(bb) Second offence without legal connection from Council (where demand based component is not raised)	R12 644.50 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	R14 414.73 + New services connection fee as determined by the Technical Services Dept + Demand Based Component		R11 495.00 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	R13 104.30 + New services connection fee as determined by the Technical Services Dept + Demand Based Component	
	Electricity metering and connection equipment remain the property of the Municipality at all times and anyone involved in instances of tampering, damaging or theft thereof is committing a criminal offence and will be liable for prosecution						
X1.5	CONSUMER COMPLAINTS CALL OUTS						
	a) The charge in the case of call outs to repairs and restore a consumer's supply which has not resulted from defects in the Council's service apparatus, which charge shall be a charge against the monthly account of the consumer and for which the supply of power may be disconnected	Cost plus 10%.			Cost plus 10%.		
X1.6	TESTING OF INSTALLATIONS:						
	The charge to be paid in advance to the Town Treasurer for a second or subsequent test on any installation shall be:	Cost plus 10%.			Cost plus 10%.		

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				2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
X1.7	CHARGES FOR ELECTRICITY SUPPLIED		The distance covered in all cases shall be assessed on both the outward and inward journeys and calculated to the nearest kilometer.						
	TARIFFS 1 TO 11 ARE SUBJECT TO APPROVAL BY NERSA								
a)	TARIFF 1								
	Industrial, commercial and other consumers, excluding the use of electricity of farmers for irrigation purposes with a notified maximum demand of 65KVA or more, but not exceeding 1000KVA:								
(ii)	A service charge as approved by the National Electricity Regulator from time to time, which shall be payable whether or not any electricity is consumed;			R 1,186,731	R 1,352,871		R 1,102,500	R 1,256,850	
	PLUS								
(iii)	A kilovolt ampere (kVA) charge as approved by the National Electricity Regulator from time to time, for kilovolt ampere (kVA) registered during the standard period on a standard meter, subject to a minimum monthly charge equal to 70% of the maximum metered demand of 65KVA			R 80,434	R 91,695		R 74,730	R 85,192	
	OR								
(iv)	A kilovolt ampere (kVA) charge as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the off peak period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum metered demand of 65KVA			R 80,434	R 91,695		R 74,730	R 85,192	
	PLUS								
(v)	An energy charge as approved by the National Electricity Regulator from time to time of			R 1,264	R 1,441		R 1,174	R 1,338	
	Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required								
	Deposit calculated on the required maximum demand, multiplied by the tariff, multiplied by 2.5								
a)	TARIFF 2								
	Domestic consumers, excluding the use of electricity of farmers for irrigation purposes with a notified maximum demand of 65KVA or more, but not exceeding 1000KVA:								
(ii)	A service charge as approved by the National Electricity Regulator from time to time, which shall be payable whether or not any electricity is consumed;			R 41,630	R 47,458		R 38,680	R 44,095	
	PLUS								

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(iii)	A kilovolt ampere (kVA) charge as approved by the National Electricity Regulator from time to time, for kilovolt ampere (kVA) registered during the standard period on a standard meter, subject to a minimum monthly charge equal to 70% of the maximum metered demand of 65kVA PLUS						
(v)	An energy charge as approved by the National Electricity Regulator from time to time of Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required	R 1.565	R 1.784		1.4554	R 1.659	
b)	TARIFF 3: Deposit calculated on the required maximum demand, multiplied by the tariff, multiplied by 2.5 (i) Industrial and commercial consumers with a notified maximum demand of less than 65 kVA and all other consumers not incorporated in pursuant of these tariffs. Service charge per point of connection: a) A Single Phases connection not exceeding 60 Ampere which shall be payable whether or not any electricity is consumed; b) A Three phase connection not exceeding 3 X 80 Ampere which shall be payable whether or not any electricity is consumed; PLUS						
(iii)	An energy charge as approved by the National Electricity Regulator from time to time.	R 1.595	R 1.819		R 1.482	R 1.689	
(iv)	Whenever a circuit breaker is replaced with one of the reduced/increased capacity, the consumer requesting such exchange shall be liable for Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required OR a minimum deposit of	Cost plus 10%			Cost plus 10%		
c)	TARIFF 4: Domestic consumers. There shall be payable (i) A monthly service/basic/availability charge per connection point - as approved by the National Electricity Regulator from time to time, which shall be payable whether or not any electricity is consumed; PLUS (iii) An energy charge as approved by the National Electricity Regulator from time to time. a) Energy consumed between 0 to 50	R 41.630	R 47.458		R 38.680	R 44.095	
		R 1.594	R 1.817		R 1.481	R 1.688	

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	Energy consumed between 50 to 350						
	Energy consumed between 351 to 600						
	Energy consumed between more than 600						
	(iv) In the case of the initial exchange of circuit breakers and in the case of any subsequent replacement by circuit breakers of increased or reduced capacity, the cost of exchange shall be	Cost plus 10%			Cost plus 10%		
	Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required OR a minimum deposit of	R 2,500,000			R 2,500,000		
d) TARIFF 5:							
Religious and other organizations registered in terms of the act as welfare organizations							
There shall be payable							
(i) A monthly service/basic/availability charge per connection point - as approved by the National Electricity Regulator from time to time, which shall be payable whether or not any electricity is consumed;		R 0,000	R 0,000		R 0,000	R 0,000	
PLUS							
(iii) An energy charge as approved by the National Electricity Regulator from time to time.		R 1,615	R 1,841		R 1,500	R 1,710	
	a) Energy consumed between 0 to 50						
	Energy consumed between 50 to 350						
	Energy consumed between 351 to 600						
	Energy consumed between more than 600						
	(iv) In the case of the initial exchange of circuit breakers and in the case of any subsequent replacement by circuit breakers of increased or reduced capacity, the cost of exchange shall be	Cost plus 10%			Cost plus 10%		
	Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required OR a minimum deposit of	R 2,500,000			R 2,500,000		
e) TARIFF 6:							
Energy consumed more than 600							
Approved un-metered supplies for floodlighting, telephone booth lighting and street lighting.							
A security deposit to cover at least 2 months' consumption is required							
The following formula and tariffs shall apply to all un-metered supplies for floodlighting, street lighting.							
Monthly Charge = $W \times 4000 \times \text{Tariff Divide by } 1000 \times 12$							

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		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	W = Total lamp wattage of the installation						
	4000 = Annual burning hours						
	1000 = Converting watt to kW						
	12 = Converting annual hours to monthly hours						
(i)	Installation Maintained by customer						
	Energy charge per kWh	R 1,703	R 1,941		R 1,582	R 1,803	
	Per pole - new	R 63,768	R 72,696		R 59,242	R 67,536	
	Per pole up to 200kW	R 229,467	R 261,592		R 213,180	R 243,025	
	Per pole greater than 200kW	R 268,474	R 306,060		R 249,418	R 284,337	
	Per Traffic Controller per signal head	R 268,474	R 306,060		R 249,418	R 284,337	
(ii)	Installation Maintained by Municipality						
	Energy charge per kWh	R 1,699	R 1,937		R 1,582	R 1,803	
	Per pole up to 200kW	R 229,467	R 261,592		R 213,180	R 243,025	
	Per pole up greater than 200kW	R 268,474	R 306,060		R 249,418	R 284,337	
	Per Traffic Controller per signal head	R 268,474	R 306,060		R 249,418	R 284,337	
(iii)	A charge per floodlight, telephone booth lighting and street lighting where the maintenance is maintained by Council as approved by the National Electricity Regulator from time to time, per pole shall be	R 268,474	R 306,060		R 249,418	R 284,337	
(iv)	These lights shall operate with the Council's streetlights and any expenses incurred by the Council on the maintenance of such installation shall be recoverable from the consumer. The consumer may, at the discretion of the Engineer be required to provide material (spares)	Cost plus 10%			Cost plus 10%		
	A charge per floodlight, telephone booth lighting and street lighting where the maintenance is maintained by the customer as approved by the National Electricity Regulator from time to time, per pole shall be	R 268,474	R 306,060		R 249,418	R 284,337	
(vi)	A charge per traffic controller installation per signal head, shall be	R 268,474	R 306,060		R 249,418	R 284,337	
f)	Approved unmetered low consumption installations.						
(i)	A security deposit to cover at least 2 months' consumption is required						
	Such as 2 way radio installations; road traffic counter installation; water reservoir level indicators; security cameras; boom controls;						
	Per installation	R 268,474	R 306,060		R 249,418	R 284,337	
(ii)	Illuminated advertising signs	R 264,491	R 301,520		R 245,718	R 280,119	
	Basic monthly charge	R 1,570	R 1,790		R 1,459	R 1,663	
	Energy charge as approved by the National Electricity Regulator from time to time.						
g)	TARIFF 7:						
(aa)	Seppi Fine Paper by agreement kVA exceeds 20,000	By agreement			By agreement		
	KVA high demand	R 21,851	R 24,910		20,600	23,484	
	Energy low demand	R 0,770	R 0,877		0,715	0,815	
	KVA low demand	R 47,150	R 53,750		43,803	49,935	

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
 2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
(bb)	Supplies to large consumers exceeding 1 000 kVA						
(i)	Basic Monthly charge	R 0,000	R 0,000		R 0,000	R 0,000	
(ii)	A Demand tariff per month as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the off peak/Low demand period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum demand	R 69,999	R 79,799		R 65,030	R 74,134	
	PLUS						
(iii)	an energy charge during the off peak/Low demand period as approved by the National Electricity Regulator from time to time	R 1,222	R 1,393		R 1,135	R 1,294	
(iv)	A Demand tariff per month as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the peak/ High demand period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum demand	R 69,998	R 79,798		R 65,030	R 74,134	
	PLUS						
(v)	an energy charge during the peak/High demand period as approved by the National Electricity Regulator from time to time	R 1,222	R 1,393		R 1,135	R 1,294	
	Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2,5 months' consumption is required						
	Deposit calculated on the required maximum demand, multiplied by the tariff, multiplied by 2,5						
H	TARIFF 8:						
	Premises equipped with Budget Energy Control Metering system						
(i)	First 75 kWh free for Indigent Customers qualifying in terms of policies set by Council	R 1,072	R 1,222		0,9961	R 1,136	
(ii)	Thereafter the cost per kWh shall be as approved by the National Electricity Regulator from time to time, and shall be payable in advance.	R 1,492	R 1,701		1,3863	R 1,580	
a)	Energy consumed between 0 to 50						
	Energy consumed between 50 to 350						
	Energy consumed between 351 to 600						
	Energy consumed between more than 600						
(iii)	Domestic other than registered indigent customers - the cost per kWh shall be as approved by the National Electricity Regulator from time to time and shall be payable in advance per kWh be	R 1,492	R 1,701		1,3863	R 1,580	
a)	Energy consumed between 0 to 50						
	Energy consumed between 50 to 350						

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1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

			2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
		Energy consumed between 351 to 600						
		Energy consumed between more than 600						
	(iv)	Commercial Prepaid metering	R 1.733	R 1.976		1.61021	R 1.836	
1	TARIFF 9:							
1A		Supplies to large consumers exceeding 1 000 KVA that can be measured seasonal and at Time of Use period						
	(i)	Basic Monthly charge						
	(ii)	Peak	R 3.468	R 3.954		3.2221	R 3.673	
	(iii)	Standard	R 1.424	R 1.623		R 1.323	R 1.508	
	(iv)	Off peak	R 0.786	R 0.896		R 0.730	R 0.832	
1B		A Demand tariff per month as approved by the National Electricity Regulator from time to time, for kilovolt ampere registered during the peak/ High demand period on an off peak meter, subject to a minimum monthly charge equal to 70% of the maximum requested demand						
	(i)	Basic Monthly charge						
	(ii)	HIGH Season: Demand tariff per month as approved by the National Electricity Regulator from time to time,	R 61.366	R 69.957		R 57.010	R 64.991	
	(iii)	LOW Season: Demand tariff per month as approved by the National Electricity Regulator from time to time.	R 61.354	R 69.943		R 57.010	R 64.991	
		PLUS						
2		an energy charge during the off peak/Low demand period as approved by the National Electricity Regulator from time to time						
	(i)	Energy charge: Low Season: Off Peak	R 0.614	R 0.699		R 0.570	R 0.650	
	(ii)	Energy charge: Low Season: Standard	R 0.934	R 1.065		R 0.868	R 0.990	
	(iii)	Energy charge: Low Season: Peak	R 1.424	R 1.623		R 1.323	R 1.508	
	(iv)	Energy charge: High Season: Off Peak	R 0.786	R 0.896		R 0.730	R 0.832	
	(v)	Energy charge: High Season: Standard	R 1.424	R 1.623		R 1.323	R 1.508	
	(vi)	Energy charge: High Season: Peak	R 3.468	R 3.954		R 3.2221	R 3.673	
		Meters are read at least once every 2 months. Estimated charges are raised in months where no meter readings are taken and are adjusted when actual consumption is charged for. A security deposit to cover at least 2.5 months' consumption is required						

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)		2. ALL APPLICANTS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADOKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	Deposit calculated on the required maximum demand, multiplied by the tariff, multiplied by 2.5								
	Where no consumer agreements exist, the registered owner/owners of the property concerned shall be responsible for a minimum monthly charge as defined in the tariffs 1 to 7 above								
J	TARIFF 10:								
	TOU Industrial, Commercial and other customers with a notified maximum demand of less than 65kVa including shops, factories, hostels, boarding houses, restaurants, office buildings and residential buildings in which individual units are not separately metered.								
	(i) Basic Monthly charge	R	331,262	R	377,639		R 307,750	R 350,835	
	PLUS								
	an energy charge of:								
	(i) Energy charge: Off Peak	R	0,466	R	0,531		R 0,433	R 0,494	
	(ii) Energy charge: Standard	R	0,944	R	1,076		R 0,877	R 1,000	
	(iii) Energy charge: Peak	R	3,357	R	3,827		R 3,119	R 3,556	
	Any meter conversions relating to Tariff 10 shall be for the account of the applicant.								
K	TARIFF 11:								
	TOU : RESIDENTIAL								
	(i) Basic Monthly charge	R	72,635	R	82,804		R 67,480	R 76,927	
	PLUS								
	an energy charge during the off peak/Low demand period as approved by the National Electricity Regulator from time to time								
	(i) Energy charge: Off Peak	R	0,803	R	0,915		R 0,746	R 0,850	
	(ii) Energy charge: Standard	R	1,085	R	1,237		R 1,008	R 1,149	
	(iii) Energy charge: Peak	R	2,170	R	2,474		R 2,016	R 2,298	
	Any meter conversions relating to Tariff 11 shall be for the account of the applicant.								
X1.8	ELECTRICITY AVAILABILITY CHARGE								

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1. VALUE ADDED TAX MUST BE ADDED TO ALL FAREES LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)		2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWABUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	In respect of any approved subdivision, with or without improvements, which is not connected to the Council's electricity scheme and which can reasonably be so connected, the owner shall pay to the Council an electricity availability charge as stipulated hereunder, in accordance with the Electricity By-Laws Item 18(1) provided that								
a)	No charge shall be made against any subdivision which exceeds 2 ha:								
b)	No charge shall be made against any property complying with the requirements of Section 17 (1) (i) of the Municipal Property Rates Act, No 6 of 2004								
c)	No charge shall be made against one subdivision which is used for bona fide gardening purposes in conjunction with an adjoining subdivision on which there is erected a dwelling house which is connected to the Council's electricity scheme, if such subdivision is owned by the same person or the spouse of the person who owns such dwelling house:								
d)	In any area where no town planning scheme in terms of the Ordinance 27 of 1949 is in existence, the charge shall be levied as if such property is zoned for special residential use.								
e)	Depending on the zoning of such subdivision in terms of any town planning scheme in force from time to time, the monthly charges per subdivision shall be as follows:								
	(i) Irrespective of the zoning of the property there shall be payable a monthly charge of	R	97.000	R	110.580		R 90.000	R 102.600	
	If zoned for other purposes	R	97.000	R	110.580		R 90.000	R 102.600	
X1.9	GENERAL PROVISIONS								
a)	Notified maximum demand:								
	(i) Every existing consumer with an installed load in excess of 60 A shall, when called upon to do so, notify the Council in writing of the maximum which he requires the Council to supply.								
	(ii) Every new consumer requiring a supply of electricity in excess of 60A single phase or 20A three-phase shall give three months prior written notice of his requirements, provided that the period of notice may be reduced at the discretion of the Engineer.								
	(iii) Every existing consumer who wishes to increase his installed load shall give the Council three months prior written notice of his requirements, provided that the period of notice may be reduced at the discretion of the Engineer.								
	(iv) With effect from the date on which the Council is in a position to meet the notified requirements or the date stipulated in the notice given under paragraph (bb) or (cc), whichever is the later, the amperage charge or the maximum demand charge applicable to such consumer shall be adjusted accordingly.								

12/10

1. VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO PINKS, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)
2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

		2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
	(v) In the event of the actual consumption of any consumer exceeding his notified maximum demand, the Engineer may call upon such consumer to negotiate an increased notified maximum demand in terms of this Bylaw. Should such consumer fail to notify the Board of his increased requirements within thirty (30) days of being called upon to do so, the Engineer, after inspection of the consumer's installation may notify the Town Treasurer of such increased notified maximum demand as should, in his opinion apply to such consumer for accounting purposes and the charges therefore shall be adjusted accordingly.						
b)	Bulk Supply Installation						
	(i) Where the joint requirements of any two or more consumers necessitate, in the opinion of the Engineer, the specific installation of one or more transformers together with associated switch gear, such consumers shall jointly be responsible for the cost of such installation, in proportion to their individual requirements.						
	(ii) In designing such a bulk supply installation, as provided for under item (i) above, it shall be competent for the Council to install a transformer with a larger capacity than that called for by the applicant, provided that						
	(iii) The amount payable by the Applicant shall be pro-rated accordingly; and Council shall have the right to use any such excess capacity for such other needs as it deems fit.						
	(iv) In respect of all bulk installations the applicant shall be required to provide a chamber, to the Council's requirements, in which any such transformers, switch gear and equipment shall be accommodated.						
	(v) Where application is made for an increased supply and sufficient spare capacity exists on the transformer of greater capacity, the consumer shall in addition to the charges as provided for in these by-laws, be charged the pro-rata cost of the additional transformer capacity based upon the cost of a new transformer or Mini Sub Station of that capacity at that time, plus 10%.						
X1.10	REDUNDANT STREETLIGHT POLES						
a)	Whole poles, as is, per meter	R	31,000	R	35,340		
	(Maximum of 60 meters per person)					R 28,001	R 31,921
Z.1	SURCHARGE						
	The Council may, by resolution, in respect of all consumers enforce a surcharge by means of a percentage on the total of the various tariffs, provided that such surcharge shall at no time exceed 50 (fifty) percentum.						

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1. VALUE ADDED TAX MUST BE ADDED TO ALL PARCELS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX) 2. ALL APPROVALS OF APPLICATIONS FOR SERVICES LISTED BELOW SHALL BE SUBJECT TO THE APPLICANT OBTAINING A CLEARANCE TO THE EFFECT THAT KWADUKUZA MUNICIPAL ACCOUNTS IN THE NAME OF THE APPLICANT/OWNER ARE NOT IN ARREARS

				2016/17 (EXCL VAT)	2016/17 (INCL VAT)	COMMENTS	2015/16 (EXCL VAT)	2015/16 (INCL VAT)	COMMENTS
			COMPILED BY:						
			S M KHOZA						
			N NENE						
			CHECKED BY:						
			R D SINGH						

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

OVERVIEW OF THE ANNUAL BUDGET PROCESS

BACKGROUND

KDM is required to follow a strict budget process that enables significant participation by the community and all stakeholders. This budget process is governed by the MSA and the MFMA. Numerous departmental meetings and workshops were held to ensure that the MTRF is more closely aligned to KDM's IDP and its SDBIP. Regular meetings were scheduled involving the BSC; the BTO and all departments.

The FINAL MTRF will also be submitted to COGTA, Provincial and National Treasury immediately after the approval by the council as required by MFMA.

• Department Consultation

The Departments took into account all operating costs necessary for the life of capital projects in compiling their Capital Budget, and, also, all incidental cost savings and increases in revenue.

Both the Operating and Capital Budgets have been evaluated through a prioritisation mechanism that ensures alignment to KDM's development strategies.

POLITICAL OVERSIGHT

Section 53 of the MFMA requires the Mayor to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. To assist the prioritisation and spending plans of Council, the political component has a duty to oversee the budget process.

The municipal has a functional Budget Steering Committee in place. The BSC monitors financial planning and spending plans, and advises Council accordingly. The BSC also considers all budget-related policies before these are tabled to Council for approval.

BUDGET-RELATED POLICIES

The following budget-related policies were taken into account in developing the MTRF:

1. Rates Policy
2. Credit Control & Debt Management Policy
3. Indigent Policy
4. Tariff Policy
5. Investment & Cash Management Policy
6. Borrowings Policy
7. Supply Chain Management Policy
8. Fixed Asset Management Policy
9. Funding & Reserves Policy
10. Budget Policy

11. Virements Policy
12. Long Term Financial Planning Policy
13. Policy on Infrastructure, Investments and Capital Projects

ALIGNMENT WITH NATIONAL & PROVINCIAL PRIORITIES

The MTRRF is in line with National and Provincial objectives. The successful alignment of KDM's service delivery priorities, as captured in its IDP, with these objectives is critical in achieving its developmental goals. The MTRRF is also formulated in a manner that supports KDM's long-term sustainable growth and development.

The following priorities are National Government's framework to enhance the social, cultural and economic welfare of all South Africans:

- Protect the poor
- Build capacity for long-term growth
- Sustain employment growth
- Maintain sustainable debt level
- Address sector barriers to growth and investment

The following key policy areas are the focus of 2016/2017 Provincial Budget:

- Poverty alleviation
- Economic empowerment
- Skills development; training and preferred procurement
- Building a healthy and caring nation

KEY DEADLINES

The budget time schedule for compilation of the MTRRF was approved in August 2015, in compliance with the MFMA's requirements.

The budget timetable is necessary to ensure integration between the IDP and the MTRRF. It also ensures a balanced budget is tabled to Council for consideration and approval.

• Importance of producing a balanced and credible MTRRF

A credible MTRRF is one that is highly achievable, as it is in line with all agreed service delivery and performance targets. It contains revenue and expenditure projections that are consistent with current and past performance. These projections are also supported by documented evidence of future assumptions. Only activities that are consistent with the revised IDP are funded. This ensures that the IDP remains realistically achievable given KDM's financial constraints. A credible MTRRF does not jeopardize financial viability, because it ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met. It also provides the Executive Directors with appropriate levels of delegation sufficient to meet their financial management responsibilities.

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In accordance with MFMA Circular 74, the following key deadlines, inter alia, have been/shall be observed:

• **Schedule of Key Deadlines**

March 2016	Tabling of Final MTRREF to Council
April 2016	Submission of the tabled draft MTRREF to the NT and relevant PT in both print electronic format (including Schedule A of the Municipal Budget & Reporting Regulations; Tables A1 to A10; Supporting Tables SA1 to SA37)
April 2016	Public Hearings & Consultations on the Draft MTRREF
April/May 2016	Portfolio Workshops on the Draft MTRREF
May 2016	Considering for the Approval of the Final MTRREF; IDP & SDBIP
June 2016	Approval of the Final MTRREF; IDP & SDBIP
June 2016	Submission of Approved MTRREF to NT / PT/ COGTA (Council places the Approved MTRREF on the website)

These are the key deadlines, as originally approved by the Mayor, taking into account advice received from NT.

**2.2 OVERVIEW OF
ALIGNMENT OF ANNUAL
BUDGET WITH
INTEGRATED
DEVELOPMENT PLAN**

OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to budgeting and planning.

An IDP will assist the municipality as follows:-

- It is a planning process that involves both the municipality and the public to achieve long term development.
- It assists in the co-ordination of the work of the local government and other spheres of government to improve the quality of life.
- It considers the existing conditions and problems and resources available for development.
- It considers the economic and social development needs of the municipal area.
- It sets a framework for land use, infrastructure, services and protection of the environment.

Below is a tabular representation of the IDP strategic objectives:-

[illegible]

**2.3 MEASURABLE
PERFORMANCE OBJECTIVES
AND INDICATORS**

MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

A municipality's Performance Management System is a mechanism to monitor, review and improve the implementation of its IDP and monitor progress made in achieving set goals as stipulated in the IDP. Effective service delivery relies on the IDP, effective utilisation of scarce resources and the PMS system.

The IDP is developed in conjunction with the community and a realistic budget and is reviewed annually. The IDP will consider, inter alia:-

- Existing conditions, problems and resources available for development
- Economic and social development needs of the community
- It sets a framework for land use, infrastructure and services.

The Service Delivery and Budget Implementation Plan is the tool used to align the budget to the IDP. The focus of the SDBIP is both Financial and non-financial measurable performance objectives in the form of service delivery targets.

An organisation scorecard is developed after taking into consideration the aspects as indicated/highlighted in the IDP and SDBIP. This scorecard will be used to monitor the performance of the Municipality.

The following highlights should be noted in the 2016/2017 draft MTRF:-

REVENUE

The following collection rates are anticipated for 2016/2017:-

- Electricity income minimum collection rate of 90%
- Property rates income minimum collection rate of 90%
- Refuse income minimum collection rate of 90%

For further details kindly refer to Table SA 7

FREE BASIC SERVICES

The municipality has a responsibility to ensure that indigent households are provided with the basic municipal services.

Indigent households receive 75kwh of electricity each month, no charge to the consumer. Refuse for these low income areas are raised and credited from equitable share. Rates on properties below a certain value receive a 100% rebate.

INDIGENT POLICY

The indigent policy provides, inter alia, procedures and guidelines for the subsidisation of basic services and tariff charges to the indigent households.

Indigent registration drives are conducted annually during the second half of the financial year. The onus to re-apply for continued indigent support rests on the household. The criterion for benefits under this scheme is part of the credit control policy.

An indigent customer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed to the extent that he/she no longer meets the qualifications. The indigent customer may at any time request de-registration.

PROVIDING FOR THE INDIGENTS

The "Equitable Share" grant enables municipalities to provide basic services to indigent households in an affordable manner.

KDM has undertaken to ensure that indigent households are targeted effectively in the provision of basic municipal services. The Council of KDM has an indigent support database that is updated annually, in accordance with the policy above.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

OVERVIEW OF BUDGET-RELATED POLICIES

A. The budget process is guided and governed by relevant legislation and budget related policies. The following are key budget policies that are considered during the draft MTRF process. The policies have been separately approved by Council, are available on the Council website, and are also available from KDM upon request.

1. Rates Policy

The Rates Policy applies to all currently rated properties and also covers exemptions, rebates and reductions. This policy ensures that all new rates are tabled to Council for approval, before being implemented. The Rates Policy is in line with MPRA.

2. Credit Control & Debt Collection Policy

The Credit Control & Debt Collection Policy, adopted by Council, focuses on all outstanding debt and aims to promote a culture of good payment habits amongst debtors. Debtors have a responsibility towards the payment of their accounts. This policy implements an appropriate, innovative system of debt collection, which is also cost-effective. The aim of this policy is to ensure that debt is collected in the shortest possible time, without any interference in the process, thereby reducing all municipal debt.

The Credit Control & Debt Collection Policy ensures a sensitive, transparent and equitable approach to debt recovery. It prescribes methods to effectively and efficiently deal with those who default on payments, whilst taking indigent consumers into consideration and keeping costs to a minimum.

3. Indigent Policy

The objective of the indigent Policy is to ensure the following:-

- The provision of basic series to indigent households in a manner that is sustainable, within the financial and administrative capacity of the Council.
- To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using Council's budgetary provisions, according to prescribed guidelines.

Indigent households, in terms of this policy, qualify for

- An electricity subsidy (based on a certain number of kWh)
- A 100% refuse subsidy
- A subsidy for service charges

All conditions stated in this policy must be met before a household may be registered as "indigent". Households are required to formally apply for relief and must register each year for indigent support. The prescribed documentation is available from KDM Offices. Annually the municipality runs a publicised indigent registration campaign to register all indigent households.

4. Tariff Policy

In terms of Section 74 of the Local Government Municipal Systems Act 2000, a municipal Council must adopt and implement a Tariff Policy. The Tariff Policy is the policy for levying fees, rates or taxes for the municipal services provided by KDM. Tariff calculations are based on the nature of the service provided and treat all users of municipal services equally, by ensuring that consumers pay in proportion to the amount of services consumed.

This policy covers the Tariff Determination Process and also the Classification and Pricing Strategies of Services. It highlights the fact that all proposed tariffs are presented to the community of KwaDukuza during the Council's consultation process in respect of the MTRF. The aims of this policy are

- To promote local economic development growth and competitiveness
- To cater for the indigent households whilst keeping rates affordable
- To ensure financial sustainability of service delivery

This Policy complies with the MSA.

5. Cash Management & Investment Policy

In terms of Section 13 (2) of the MFMA, a municipality must adopt a policy dealing with cash management and investments. The Investment & Cash Management Policy ensures that all investments are made in an effective and efficient manner and generate the best return for the KDM. This policy ensures that all investments made take into account the preservation and safety of the principal and appropriate liquidity.

6. Borrowings Policy

The Borrowings Policy establishes a framework for incurring debt. It must be noted, however, that KDM does not raise any short-term debt. The guidelines provided in this policy ensure that KDM adheres to all statutory requirements regarding long-term debt. This policy aims to obtain funds at the lowest possible interest rates, and with minimum risk.

7. Supply Chain Management Policy

A municipality is required in terms of Section 111 of the MFMA to develop and implement a Supply Chain Management Policy. The comprehensive Supply Chain Management Policy governs, inter alia, the procurement of goods and services; disposal of goods and selecting contractors to aid the Municipality in service delivery.

8. Virements Policy

The Virements Policy is in place to ensure good budgeting practice, effective financial management and improved budgetary controls. This policy established a framework for managers to administer their budgets successfully and remain within limitations.

9. Budget Policy

The Budget Policy sets out the principles followed by KDM in drafting the MTRRF. This policy covers the responsibilities of the Mayor; the MM; the CFO and other senior managers in preparing the MTRRF. The operating and capital budget; budget funding; budget transfers; unavoidable expenditure and the budget preparation process are covered extensively.

10. Funding & Reserve's Policy

The Funding & Reserves Policy is aimed at ensuring that the KDM procures sufficient and cost-effective funding to achieve its capital expenditure objectives in an optimum manner. This policy must be adhered to in the procurement of funding, whilst considering the maturity profile of KwaDukuzwa's assets and liabilities.

This policy sets out the assumptions and methodology for estimating:

- Revenue;
- Revenue that will not be collected;
- Proceeds from the disposal of assets;
- Proceeds from borrowings; and
- Funds to be set aside in Reserves (excluding Reserves held in order to comply with GRAP standards)

11. Fixed Asset Management Policy

The Fixed Asset Management Policy governs the acquisition, utilisation, control, maintenance and disposal of assets of KDM. This policy ensures that assets are managed in an economical,

effective and efficient manner throughout their life cycles, to achieve the maximum level of service.

12. Long Term Financial Planning

A policy has been developed on the Long term financial planning of the Municipality to achieve KwaDukuza's 2030 vision.

Council reviews all budget-related policies annually. These policies are in compliance with all relevant legislation.

13. Infrastructure, Investments & Capital Projects

This policy deals with investments in Infrastructure and Capital Projects to address the backlogs in service delivery as well as to promote economic growth in KwaDukuza.

A summary of the main changes of key policies are listed below:

Indigent Policy

Page 2

Add

9. KwaDukuza Municipality employees on indigent register

6.1

Existing clause

Customers who qualify for equitable share subsidy and who are in arrears, will be placed on the pre-paid metering system at council discretion.

PROPOSED AMENDMENTS

Customers who qualify for equitable share subsidy and who are in arrears, may be placed on the pre-paid metering system at council discretion.

6.2

Existing Clause

A notice will display upon the first purchase of power to visit council's Finance department to make suitable arrangements regarding the arrears.

PROPOSED AMENDMENTS

Where 6.1 is applicable, a notice will display upon the first purchase of power to visit council's Finance department to make suitable arrangements regarding the arrears.

7.5

Existing clause

if a registered indigent person of a household is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall:

PROPOSED AMENDMENTS

if a registered indigent person of a household is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent or failed to inform the municipality of any improvement in the financial status of the household leading to the gross income exceeding the indigent threshold as determined by Council, such person shall:

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NEW LY PROPOSED CLAUSE

9. KWADUKUZA MUNICIPALITY EMPLOYEES ON THE INDIGENT REGISTER

9.1 No KDM employee shall appear on the indigent register or benefit from the indigent programme unless,

a) The employee's gross income is below the indigent threshold as determined by Council or

b) The employee lives in one of the Council designated areas and is only receiving the refuse benefit.

Tariff Policy

There are no proposed changes to the above policy for the 2016/17 financial year.

Cash Management, Banking and Investment Policy

The following changes are proposed to the Cash Management, Banking and Investment Policy for the 2016/17 financial year:

Current		
Proposed	Act"- The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)	
Reason for Proposed	Typographical Error	

Current	The Accounting Officer must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality / Executive Committee (EXCO) and the KZNPT a statement in the prescribed format in terms of section 71 of
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the MFMA		Proposed	7.6.4 – The Accounting Officer must, on a monthly basis, submit to the Finance Portfolio Committee and Provincial Treasury, a statement in the prescribed format in terms of Section 71 of the MFMA.	Reason for Proposed	As the portfolio committee responsible for Finance, these reports are tabled to Finance Portfolio Committee. Given the timing of the reports and the meetings this is not always within 10 days. (Submission to Portfolio/Exco within 10 days is not required in terms of legislation)
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Current	11.4 – Any investment placed over twelve months shall also be advertised in the paper circulating in the area	Proposed	Clause to be removed	Reason for Proposed	No legislative requirement
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Borrowing Framework Policy and Guidelines

There are no proposed changes to the above policy for the 2016/17 financial year.

Funding and Reserves Policy

The following changes are proposed to the Funding and Reserves Policy for the 2016/17 financial year:

Current	Inclusion	Proposed	11. Provisions and Liabilities
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	<p>The following should be included in the policy:</p> <p>(f) Bonus Provision:</p> <p>In terms of GRAP 25: Employee Benefits, a bonus paid by the municipality is a short term employee benefit. The municipality has to accrue for the service bonus as at each reporting date as required by paragraph 11 of GRAP 25. An annual provision is made from the operating budget to the bonus provision.</p> <p>Recent interpretations of GRAP Accounting Standards, requires us to provide for Annual Bonuses Payable to Employees.</p>
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Assets Management Policy

The following changes are recommended to the Asset Management Policy for the 2016/17 financial year:

Amendment of Biological Assets reference from GRAP 101 to GRAP 27. (Various points within the document)

Removal of GAAP from the definition as this reference is no longer relevant. This has been replaced with GRAP

Long Term Financial Planning Policy

There are no proposed changes to the above policy for the 2016/17 financial year.

Infrastructure, Investments & Capital Projects

There are no proposed changes to the above policy for the 2016/17 financial year.

Virements Policy

The following changes are proposed to the Virement Policy for the 2016/17 financial year:

Current	Page 9 – reflects the clinic votes 061,062,063,064 and 067 from the Municipal Services Directorate.
Proposed	Removal

Reason Proposed	for	This function is undertaken by Provincial Department
--------------------	-----	--

Current	4.1 In the case of an emergency requiring a virement in excess of R 200 000 or the 25% threshold set above, the Municipal Manager may grant authority.	
Proposed	4.1 In the case of an emergency requiring a virement in excess of R 200 000 or the 25% threshold set above, the Executive Committee may grant authority.	
Reason Proposed	for	Greater budgetary control by Council

Current	Appendix C reflects a reference to 6b.	
Proposed	The removal of 6b in point 2 of Appendix C and replaced with 7.2. (reference to budget virement limits)	
Reason Proposed	for	Typographical error

Current	Municipal Services reflected on Appendix A and B	
Proposed	Split of this department to Community Safety and Community Services	
Reason Proposed	for	Council Resolution

Credit Control and Debt Collection Policy
EXISTING CLAUSE

7. AVAILABILITY CHARGES FOR MUNICIPAL SERVICES

The Municipality shall, as prescribed in the tariff of charges for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not.

PROPOSED CLAUSE

The Municipality shall, as prescribed in the tariff of charges for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not consumed.

EXISTING CLAUSE

None

PROPOSED CLAUSE

12. DISHONOURRED PAYMENTS

Where any payment made to the Municipality or its authorised agent by negotiable instrument, is later dishonoured by the bank, the municipality or its authorised agent:

(a) will recover all applicable charges.

(b) shall regard such an event as a default on payment and shall disconnect services without notice and or reserves the right to take legal action.

(c) shall require all future payments to be made by cash or electronic fund transfer in an event where more than two cheque payments from the debtor have been dishonoured by the bank

16. DEBT COLLECTION

EXISTING CLAUSE

16.1. The debt collection policy determines that municipal accounts be paid on the due date as indicated on the account and that non-payment of accounts will result in debt collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorised agent may:

PROPOSED CLAUSE

17.1. The debt collection policy determines that municipal accounts shall be paid on the due date as indicated on the account and that non-payment of accounts will result in debt collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorised agent may: -

EXISTING CLAUSE

17. ARRANGEMENT

EXISTING CLAUSE

17.1. A customer may enter into an arrangement with the Municipality for the repayment of an arrear account by concluding:

- a) An acknowledgement of debt shall be duly signed by both parties
- b) A consent to judgment.
- c) An emolument attachment order.
- d) Acknowledge that interest will be charged at the prescribed rate.

e) Acknowledge that if the arrangements being negotiated later are defaulted on, disconnection of electricity or blocked from buying electricity on the Prepayment System will follow immediately, as well as legal proceedings. Acknowledge liability of all legal costs incurred.

f) Only account holders with positive proof of identity or an authorised agent with a power of attorney will be allowed to enter into an arrangement for the payment of arrear accounts in instalments.

PROPOSED CLAUSE

18. ARRANGEMENT

- (g) Failure to honour the agreement will lead to immediate blocking or restriction from purchasing prepaid electricity, disconnection of electricity, as well as legal action.
- (h) Prior concluding the agreement the owner shall be compelled to produce the prepaid electricity card and or conventional meter number.

EXISTING CLAUSE

17.6 Electricity/Consolidated Bill: each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current

17.7 Consolidated Consumer Account/Sundry Debtors: Payment of arrears together with the current account shall be paid over a maximum period of 6 months, or at the discretion of the Chief Financial Officer or in his absence, the Director Revenue.

account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months or at the discretion of the Chief Financial Officer or in his absence the Director Revenue. No further arrangements will be entertained unless sanctioned by the Chief Financial Officer or in his absence, the Director Revenue.

PROPOSED CLAUSE

18. ARRANGEMENT

18.6 Electricity/Consolidated Bill/ Sundry Debtors: each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months.

18.7 The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

18 ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

EXISTING CLAUSE

18.10 Consolidated Consumer Account/Sundry Debtors: Payment of arrears together with the current account shall be paid over a maximum period of 6 months, or at the discretion of the Chief Financial Officer or in his absence, the Director Revenue.

PROPOSED CLAUSE

Deletion of this clause since this is incorporated under clause 18.6 above.

EXISTING CLAUSE

18.11 By entering into an Arrangement to Pay the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with the balance of interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.

PROPOSED CLAUSE

19.10 By entering into an Arrangement to Pay the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with current account, interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.

EXISTING CLAUSE

28. STAFF IN ARREARS

28.1 Item 10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period."

28.2. The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction where appropriate, after compliance with the Provisions of the Basic Conditions of Employment Act.

PROPOSED CLAUSE

30 STAFF IN ARREARS

30.1 Item 10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period."

30.2. The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction where appropriate, in terms of the Provisions of the Basic Conditions of Employment Act and other relevant legislation.

30.3 No special treatment shall be afforded to staff member whose accounts are arrears.

30.4 Once the arrears or debt is settled in full, the account will automatically revert to staff group account.

EXISTING CLAUSE

29. COUNCILORS IN ARREARS

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

The Municipality, upon consultation with the Councilor, shall make appropriate arrangements to have the arrears paid.

PROPOSED CLAUSE

31. COUNCILORS IN ARREARS

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

31.1 The Municipality, upon consultation with the Councilor, shall make appropriate arrangements to have the arrears paid.

31.2 The Municipality shall liaise with the relevant Councilor and the Speaker, in order to issue the necessary salary deduction instruction where appropriate

31.3 No special treatment shall be afforded to the Councilor whose accounts are arrears.

31.4 Once the arrears or debt is settled in full, the account will automatically revert to the group account.

EXISTING CLAUSE

36. DEBT ARRANGEMENT

Customers have been categorised into the following income categories:-

- Indigent (Gross household income of less than the monthly amount determined by Council)
- Not indigent (Gross household income of more than the monthly amount determined by Council for indigent)
- Non-domestic (excludes Government Departments)
- Government Departments.

36.1 The principle of limited vending to encourage customers with arrears to buy a pre-determined amount of electricity per month, will apply.

36.2 The principle that the monthly account must be paid, will apply.

36.3 Indigent Customers (Prepaid electricity meter)

(a) Indigent customers with arrears will be put on the information block, which will notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement have been made with Council.

(b) Indigent consumers will be required to pay 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 36 months.

(c) The total block can only be removed after the necessary payment arrangements have been made with Council

PROPOSED CLAUSE

(d) Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.

(e) Indigent customers will be allowed to purchase average monthly electricity consumption of such consumer with the maximum amount of electricity as determined from time to time.

EXISTING CLAUSE

36.4

Arrangements by indigent customers (Conventional electricity meter)

(a) Indigent customers must have their credit electricity meters converted to prepayment electricity meters at Council discretion.

PROPOSED CLAUSE

39.4

Arrangements by indigent customers (Conventional electricity meter)

EXISTING CLAUSE

c) The debt as per arrangement must be settled over a period of 36 months.

PROPOSED CLAUSE

c) The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

EXISTING CLAUSE

36.5 Non-Indigent Customers

(a) Non-indigent customers with arrears will be put on the information block, which will

notify them that a purchase can be made but that after the purchase the information block will be converted to total block, and that the total block can only be removed after the necessary payment arrangement have been made with Council.

(b) Payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 6 months or at the discretion of the Chief Financial Officer or in his absence the Director Revenue.

PROPOSED CLAUSE
39.5 Non-Indigent Customers

b) Payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus payment of the balance of the arrears shall be paid over a maximum period of 6 months.

c) The Chief Financial Officer or in his absence the Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.6 above, at his discretion.

EXISTING CLAUSE

None

PROPOSED CLAUSE

50.

REFUNDS

50.1 Refunds shall only be issued, provided that all the customers' accounts are paid in full, credits on accounts shall be refunded, on application, as follows:

a) To the account holder, for rates and services account;

b) To the owner, where the owner pays the tenants account;

c) To the conveyancer to pay the buyer or seller, on transfer of a property, this includes any credits that may arise from an objection appeal outcome or an over payment of the account.

EXISTING CLAUSE

None

PROPOSED CLAUSE

28. DEBT RELIEF PROGRAMME

28.1 Council shall promote assistance to the poorer by embarking on a debt relief programme, the indigent customer who cannot conclude the Acknowledgement of debt as per Council Credit Control and debt collection policy, shall adhere and undergone to the following procedures:

a) The indigent Customer shall be required to complete the income and expenditure form, in order to determine the minimum amount payable upfront when concluding the Acknowledgement of debt. All supporting documents shall be produced by an applicant, in order for Finance to conduct thorough system verification.

b) The acknowledgement of debt shall be approved only on condition that the system verification shall prove to be correct.

c) Upon approval of Acknowledgement of debt, the outstanding debt owed by indigent customer, shall not attract any interest and penalties, only on condition that the customer pays or maintains the current account.

25. ILLEGAL ELECTRICITY CONNECTION

EXISTING CLAUSE

In the event of it being found that any electricity connection had been made illegally by any person than then the following shall take place:

a) the electricity shall be disconnected with immediate effect

b) The occupier/owner/developer jointly and severally shall pay a penalty as per the tariff of charges.

- c) The occupier/owner/developer shall be jointly and severally liable for consumption charges.
- d) The occupier/owner/developer shall be jointly and severally pay interest on the consumption Charges at the rate as determined by Council in the tariff of charges from time to time, from the date of disconnection to date of payment.

PROPOSED CLAUSE

26. ILLEGAL ELECTRICITY CONNECTION

- e) The applicant shall pay the outstanding municipal account in full, including current installment, interest and penalty fees, payment of unauthorized consumption, disconnection and reconnection fees, and increased in a deposits as determined by Council in the tariff of charges, shall become due and payable before any reconnection can be sanctioned.

- f) Where a consumer and/ or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tempering/interruption to the electricity.

- g) Application for new services shall only be accepted from the owner of the property.
- h) Application for new services shall only be accepted from the owner of the property.
- i) Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.

- j) No acknowledgment of debt shall be entertained.
- k) Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer.

43. TAMPERING AND/OR THEFT OF SERVICES ON PREPAID ELECTRICITY METER

EXISTING CLAUSE

None

PROPOSED CLAUSE

35. TAMPERING AND/OR THEFT OF SERVICES ON PREPAID ELECTRICITY METER

35.1 Any person found to be illegally connected to municipal services, tampering with prepaid electricity meters, will be prosecuted and shall be liable for:

35.2 The total outstanding debt, including the current instalment, interest and penalty fees (tamper fee), assessment of unauthorized consumption, will become due and payable before any reconnection can be sanctioned

35.3 The Customer or Consumer shall be obliged to make application for new electricity services.

35.4 Application for new services shall only be accepted from the owner of the property.

35.5 All applications are made and processed at the electrical department of KwaDukuza Municipality.

35.6 The applicant shall obtain from the enquiry clerk at the finance department, the full balance of any amount due, owing and payable in respect of any municipal account

35.7 The applicant shall pay the outstanding municipal account in full including the current instalment, interest and penalty fees (tamper fee), payment of unauthorized consumption, will become due and payable before any reconnection can be sanctioned

35.8 Where a consumer and/or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tampering /interruption to the electricity.

35.9 Once payment has been made, the enquiries clerk at finance department shall issue a certificate to the customer reflecting that the outstanding municipal services and rates accounts have been paid in full.

35.10 On instances where the prepaid electricity meter has been found to be tampered with; Councils may prefer conversion of prepaid electricity metering system to conversional electricity metering system, conversion shall be implemented at the customers cost.

35.11 Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.

35.12 No acknowledgement of debt shall be entertained.

35.13 Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer

35. LEGAL ACTION

EXISTING CLAUSE

None

PROPOSED CLAUSE

38. LEGAL ACTION

38.1.11 The Chief Financial Officer shall be authorized to approve the writes off, of all irrecoverable debts up to the value of R500.00, only on condition that satisfactory reason has been provided.

47 READING OF CREDIT METERS

EXISTING CLAUSE

None

PROPOSED CLAUSE

47 READING OF CREDIT METERS

47.1 Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed or minimum charges due in terms of the tariff shall be assessed accordingly. The Municipality shall not be obliged to effect any adjustments to such charges.

47.2 If for any reasons the credit meter cannot be read, the Municipality may render an estimated account. The electrical energy consumed shall be adjusted in a subsequent account in accordance with the electrical actually consumed.

47.3 When a consumer vacates a property and a final reading of the meter is not possible, estimation may be made and the final account rendered accordingly.

47.4 If special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee.

47.5 If any calculating reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts. Any such correction shall only apply in respect of accounts for a period of 36 months preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period.

51. COMPLIANCE AND ENFORCEMENT

EXISTING CLAUSE

None

PROPOSED CLAUSE

51 COMPLIANCE AND ENFORCEMENT

a) Violation of or non-compliance with this policy will give a just cause of

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disciplinary steps to being taken.

- a) It will be the responsibility of Accounting Officer to enforce compliance with this policy.

52 EFFECTIVE DATE

EXISTING CLAUSE

None

PROPOSED CLAUSE

52 EFFECTIVE DATE

The policy shall come to effect upon approval by Council.

53 POLICY ADOPTION

EXISTING CLAUSE

None

PROPOSED CLAUSE

53 POLICY ADOPTION

This policy has been considered and approved by the COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY as follows:

Resolution No: _____

Approval Date _____

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

OVERVIEW OF THE BUDGET ASSUMPTIONS

In the compilation of the final MTRFF, the following influencing factors were taken into account:

- Normal inflationary increases and economic pressures, especially
 - Higher fuel prices
 - Consumer Price Index inflation – impacting the general tariff increases levelled by the municipality.
 - Higher unemployment rate – resulting in an increase in indigent households within the KwaDukuza Jurisdiction.
 - Global Economic downturn – thus hindering the consumer's ability to timeously settle debt. A conservative approach is used for projecting revenue.
 - Electricity constraints
 - The National Energy Regulator of South Africa (NERSA) approval of Eskom's application for a tariff hike.
 - Interest rates for borrowings and investment of funds
 - Credit ratings outlook – lower investment grade status
- Zero-based budgeting for 2016/2017
 - Zero-based budgeting is defined as a process where every department function is reviewed comprehensively and each expenditure must be approved, rather than increased
 - It requires the budget request to be justified in complete detail by each department rather than just increasing its expenditure from the previous year
 - Each department to justify the adjustment to salaries and related expenditure (leave, overtime, training, protective clothing, etc.) based on departmental operations and workforce requirements
 - Each department to critically analyse fixed costs to determine any possible variances.
 - Each department to justify the movement in variable costs with reference to the improved service delivery.
 - Each department to consider the effects of variances in the operating budget (staff costs, fuel, security, etc.) As a result of increased capital expenditure.
- Property rates randage increase of
 - 6% in 2016/2017 financial year.
- Effect of ring-fencing of the Electricity Services
- Overall, the Council proposed increase of 7.64% in the Electricity tariffs.
- The municipality has not implemented the inclining block tariff structure.

- Bulk purchases tariff's for electricity has increased by 7.86% in 2016/2017 due to Eskom's tariff increase.

- Supply and distribution of electricity continues under the municipal licence over duration of the MTRF.

- Refuse removal tariff increased as follows
 - 6% in 2016/2017

- Provision for a 6% increase for all staff remuneration costs, including MSA Section 57 employees.

- Partnership programmes with the National and Provincial Government.

- There have been no changes made to the present powers and functions of the KDM during the budget year.

- The average long-term cost of borrowings is 9,73%

- The municipality has been able to maintain its current high debt collection rates.

Significant External Factors

- Global Economic downturn
- Increasing fuel prices
- Significant decline in gold, platinum and coal minerals
- Currency fluctuations
- Household consumption of Electricity for the duration of the draft MTRF
- GDP estimates for the duration of the draft MTRF

Basis and Methodology for Forecasting Budget Projections

In terms of Chapter 4, Section 16, of the MFMA, the operational and capital budgets for the 2016/2017 financial year, and the two subsequent years, attached hereto have been prepared according to the Municipal Budget and Reporting Regulations as gazetted in Government Gazette No. 32141 published on 17 April 2009.

Recognition of Free Basic Services

Free basic Services are funded by the equitable share and is recognised as Transfers and Grants. This is disclosed on Schedule SA 21.

Alignment with GRAP

The adjusted MTRFF is in line with the requirements of the GRAP standards.

2.6 OVERVIEW OF BUDGET FUNDING

OVERVIEW OF BUDGET FUNDING

Section 18 (1) of the MFMA states that the annual budget may only be funded from the following:-

- Realistically anticipated revenue to be collected
- Cash backed accumulated funds from previous years surplus funds not committed for other purposes, and
- Borrowed funds, but only for the capital budgets

TOTAL EXPENDITURE

KDM's overall expenditure during the FINAL MTRF is estimated at:

Description	2016/2017	2017/2018	2018/2019
Total operating expenditure	R 1 338 193	1 418 996	1 512 966
Total capital expenditure	R 303 158	R 198 891	R 190 392
Total	R 1 641 351	R 1 617 887	R 1 703 358

FUNDING SOURCES

The funding model of the Final MTRF 2016/2017 is dependent on the following:

- The anticipated amount of revenue from Property Rates in the budget year is R 346 Million (excluding Penalties & Collection Charges)
- The anticipated amount of revenue from Service Charges in the budget year is R 748 Million. Service Charges consists of revenue streams from Electricity and Refuse Removal.

TARIFF OF CHARGES

The Tariff of Charges has been implemented on 01 July 2016. This document provides for major services, and lists minor and miscellaneous tariffs – including the hiring of municipal facilities and town planning. An intensive and rigorous tariff setting process is undertaken to ensure the compilation of a credible and realistic budget.

• EXTERNAL LOANS

The long terms loans currently entered into are being used to fund capital expenditure. Council will fund capital projects to the value of R2 186 000 for capital expenditure in the 2016/2017 financial year.

The table below is indicative of KDM's long term liabilities:-

[illegible]

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The cash and investments of KDM currently amount to R 540 Million as at 31 December 2015. It should be noted that these funds are committed as conditional grants or operating funds.

KZN292 Kwadukuza - Supporting Table SA15 Investment particulars by type

Investment type	Ref	Parent municipality		Municipality sub-total		Entities		Consolidated total:					
		Audited Outcome	Audited Outcome	392,850	281	393,131	359,200	380,259	267,767	326,420	326,420	226,420	216,420
2012/13	Audited Outcome	392,850	281	393,131	359,200	380,259	267,767	326,420	326,420	226,420	216,420	208,420	208,420
2013/14	Audited Outcome	358,906	294	359,200	380,259	267,767	326,420	326,420	226,420	216,420	208,420	208,420	
2014/15	Audited Outcome	379,951	309	380,259	267,767	326,420	326,420	226,420	216,420	208,420	208,420		
Current Year 2015/16		Adjusted Budget	326,105	315	326,420	326,420	226,420	216,420	208,420				
		Original Budget	267,452	315	267,767	326,420	226,420	216,420	208,420				
		Forecast	326,105	315	326,420	326,420	226,420	216,420	208,420				
		Budget Year 2016/17	226,076	344	226,420	216,420	208,420						
2016/17 Medium Term Revenue & Expenditure Framework		Budget Year +1 2017/18	216,054	366	216,420	208,420							
		Budget Year +2 2018/19	208,032	387	208,420	208,420							

• **GOVERNMENT GRANT ALLOCATIONS**

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National Allocations:

The amended DORA allocations that will be granted to KDM consist of:

CONDITIONAL	2016/2017	2017/2018	2018/2019
Specific Purpose			
Finance Management Grant	R 1 725 000	R 1 800 000	R 1 285 000
Municipal Systems Improv. Grant	-	-	-
EPWP Incentive	R 1 285 000	-	-
Infrastructure			
1. MIG	R 46 863 500	R 50 246 450	R 53 066 050
2. NDPG (Capital)	R 11 000 000	R 8 867 000	-
3. Electricity Demand Side Mgt.	-	-	-
4. INEP	R10 000 000	R 13 000 000	R 10 000 000
5. MIG Top slice	R 2 466 500	R 2 644 550	R 2 792 950
UNCONDITIONAL	2016/2017	2017/2018	2018/2019
1. Equitable Share	R 116 642 000	R 132 042 000	R 146 463 000

All of the above allocations, excluding Equitable Share, are **conditional grants**. This means that they have been allocated to KDM for a specific purpose and may not be used to fund any other expenditure. Once all conditions are met, these allocations are transferred to the Statement of Financial Performance in order to match the expenditure incurred. This is in compliance with the relevant GRAP standards. The transfers indicated on the Statement of Financial Performance are, therefore, accounting entries and do not actually represent cash on hand.

Provincial Allocations:

In terms of the Kwa-Zulu Natal Provincial Gazette, the following will be allocated to KDM:

PROVINCIAL TRANSFERS	2016/2017	2017/2018	2018/2019
1. Housing Accreditation	R 5 113 000	R 4 878 000	R 4 878 000
2. Library subsidy	R 2 929 000	R 3 045 000	R 3 206 000
3. Museum subsidy	R175 000	R 184 000	R 193 000
4. Community Library Service Grant	R537 000	R 565 000	R 593 000

**2.7 EXPENDITURE ON ALLOCATIONS AND
GRANT PROGRAMMES**

EXPENDITURE ON ALLOCATIONS & GRANTS

Grant funding and expenditure is covered in detail in Supporting Tables SA18, SA19 and SA20.

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RECEIPTS	2016/2017	2017/2018	2018/2019
OPERATING			
<i>National</i>			
2. Equitable Share	R 116 642 000	R 132 042 000	R 146 463 000
3. FMG	R 1 725 000	R 1 800 000	R 1 285 000
4. MSIG	-	-	-
5. MIG – Transfer to Ilembe Mun.	-	-	-
6. EPWP Incentive	R 1 285 000		
7. PMU Unit	R 2 466 500	R 2 644 550	R 2 792 950
8. NDPG Operational	-	-	-
<i>Provincial</i>			
5. Housing Accreditation	R 4 728 000	R 4 623 000	R 4 878 000
6. Library Subsidy	R 2 929 000	R 3 045 000	R 3 206 000
7. Museum	R 175,000	R 184 000	R 193 000
8. Community Library Services	R 537,000	R 565 000	R 593 000
9. Community Participation in IDPs	-	-	-
CAPITAL			
<i>National</i>			
6. MIG	R 46 863 500	R 50 246 450	R 53 066 050
7. NDPG (Capital)	R 11 000 000	R 8 867 000	
8. Electricity Demand Side Management	-	-	-
9. Integrated National Electrification	R 10 000 000	R 13 000 000	R 10 000 000
10. Disaster Rough Seas	-	-	-
11. FMG	-	-	-
12. MSIG	-	-	-
13. Housing accreditation	R 385 000	R 255 000	
<i>other</i>			
14. Revenue Enhancement Grant-IFA - SPORT FACILITIES	-	-	-
15. Revenue Enhancement Grant-IFA - BEACH FACILITIES	-	-	-
	R 198 736 000	R 217 272 000	R 222 477 000

SPECIFIC GRANT FUNDED PROJECTS OVER THE MTREF

The planned expenditure on capital projects over the approved MTREF is as follows:

DEPARTMENT	2016/2017	2017/2018	2018/2019
Municipal Manager			
NDPG	R 11 000 000	R 8 867 000	-
EDP			
Housing Accreditation	R 385,000	R 255,000	-
Corridor Funding	-	-	-
Small Town Rehabilitation	-	-	-
Civil Engineering			
MIG Project Roads	R 38,063,500	R 35,246,450	R 46,453,238
Municipal Services			
MIG	R 8,800,000	R 15,000,000	R 6,612,812
Integrated National Electrification			
	R 10,000,000	R 13,000,000	R 10,000,000

**2.8 ALLOCATIONS AND GRANTS MADE BY
THE MUNICIPALITY**

KZN292 Kwadukuzi - Supporting Table 5A2: Transfers and grants made by the municipality

R thousand	Description	Ref	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	2013/14	2014/15	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18
	Cash Transfers to other municipalities	1	20,620	8,528	20,752	6,100	6,100	6,100	6,100			
	Transfer to iKembe											
	Total Cash Transfers to Municipalities:		20,620	8,528	20,752	6,100	6,100	6,100	6,100			
	Cash Transfers to Entities/Other External Mechanisms	2										
	Total Cash Transfers to Entities/Em's											
	Cash Transfers to other Organs of State	3										
	Total Cash Transfers to Other Organs Of State:											
	Cash Transfers to Organisations											
	Total Cash Transfers To Organisations											
	Cash Transfers to Groups of Individuals		292	271		500	500	500	500	490	520	551
	External Bursary											
	Total Cash Transfers to Groups of Individuals:		292	271		500	500	500	500	490	520	551
	TOTAL CASH TRANSFERS AND GRANTS	6	20,912	8,799	20,752	500	500	500	500	490	520	551
	Non-Cash Transfers to other municipalities	1										
	Total Non-Cash Transfers to Municipalities:											
	Non-Cash Transfers to Entities/Other External Mechanisms	2										
	Total Non-Cash Transfers to Entities/Em's											
	Non-Cash Transfers to other Organs of State	3										
	Total Non-Cash Transfers to Other Organs Of State:											
	Non-Cash Grants to Organisations	4										
	Total Non-Cash Grants to Organisations											
	Groups of Individuals	5	18,739	21,441	12,384	12,384	12,384	12,384	12,384	13,003	13,654	14,377
	Rates Rebate											
	Free Basic Services - Rates & Electricity		2,270	2,698	25,974	25,602	25,602	25,602	25,602	27,214	28,847	30,664
	Indigent Support - Refuse				4,236	1,528	1,528	1,528	1,528	1,629	1,726	1,835
	Total Non-Cash Grants to Groups of Individuals:		21,009	24,139	41,594	38,514	38,514	38,514	38,514	41,646	44,227	46,876
	TOTAL NON-CASH TRANSFERS AND GRANTS		21,009	24,139	41,594	38,514	38,514	38,514	38,514	41,646	44,227	46,876
	TOTAL TRANSFERS AND GRANTS	8	41,915	33,077	20,752	42,494	42,494	42,494	42,494	44,747	47,427	49,427

**2.9 COUNCILOR ALLOWANCES AND
EMPLOYEE BENEFITS**

Total	In-kind	Performance	Allowances	Contributions	Salary
KZN292 Kwadukuza - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)					

KZN292 Kwadukuzi - Supporting Table SAZ3 Salaries, Allowances & Benefits (Performance)		Disclosures of Salaries, Allowances & Benefits 1.		Ref	No.	1.	2.	Total Package
Rand per annum				3	4			
Councillors	Speaker	500,570	469,285	625,714	500,570	179,608	190,037	690,607
	Chief Whip					179,608	231,752	857,466
	Executive Mayor or Deputy Executive Mayor	500,570	469,285	625,714	500,570	190,037	231,752	690,607
	Executive Committee	4,661,567	4,661,567	8,200,013	8,200,013	1,785,657	3,700,048	11,900,061
	Total for all other councillors	14,957,719	14,957,719	6,277,139	6,277,139	3,700,048	6,447,224	21,234,858
Total Councillors		8	-	-	-	6,277,139	21,234,858	
Senior Managers of the Municipality	Municipal Manager (MM) Chief Finance Officer ED: CORPORATE GOVERNANCE ED: CORPORATE SERVICES ED: EDP ED: MUNICIPAL SERVICES	1,331,626 1,054,344 810,794 1,064,216 893,492 1,080,691	330,237 226,814 2,020 2,020 239,446 196,598	143,041 369,789 218,196 134,433 128,184 281,315	133,391 118,601 72,601 92,817 81,893 90,058	1,849,837 1,872,971 1,328,405 1,293,486 1,343,015 1,648,662	1,293,494 1,296,428 1,293,494	1,293,494
	List of each official with packages >= senior manager ED: MUNICIPAL SAFETY ED: TECHNICAL SERVICES (CIVIL) ED: TECHNICAL SERVICES (ELECTRICITY)	1,064,379 901,578 1,064,379	2,020 164,350 2,020	92,818 137,708 134,277	92,818 92,792 92,818	1,293,494 1,296,428 1,293,494	1,293,494	1,293,494
Total Senior Managers of the Municipality		8,10	-	9,265,499	1,405,284	1,681,220	867,789	13,219,792
A Heading for Each Entity	List each member of board by designation	6,7						
		8,10	-					
Total for municipal entities		10	-	24,223,218	1,405,284	7,958,359	867,789	34,454,650
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		10	-	24,223,218	1,405,284	7,958,359	867,789	34,454,650

Summary of Personnel Numbers		Municipal Council and Boards of Municipal Entities		Municipal employees		Municipal Manager and Senior Managers		Other Managers		Professionals		Finance		Spatial/town planning		Information Technology		Roads		Electricity		Water		Sanitation		Refuse		Other		Clerks (Clerical and administrative)		Service and sales workers		Skilled agricultural and fishery workers		Craft and related trades		Plant and Machine Operators		Elementary Occupations		TOTAL PERSONNEL NUMBERS		% increase			
Number	1,2	Positions	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract	employees	Permanent	Contract			
2014/15	Ref	43	7	30	-	3	65	547	22	5	2	33	-	-	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150	16.8%	(16.3%)	(19.4%)	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150
		53	7	149	18	15	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150								
		46	1	20	-	-	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150								
		53	7	153	24	15	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150								
Current Year 2015/16	Ref	43	7	30	-	3	65	547	22	5	2	33	-	-	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150	16.8%	(16.3%)	(19.4%)	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150
		53	7	149	18	15	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150								
		46	1	20	-	-	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150								
		53	7	153	24	15	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150								
Budget Year 2016/17	Ref	43	7	30	-	3	65	547	22	5	2	33	-	-	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150	16.8%	(16.3%)	(19.4%)	9.6%	0.5%	-	150	41	1,220	1,034	186	1,015	85	150	41	150
		53	7	149	18	15	2	5	5	9	-	1	20	13	5	2	33	-	-	485	116	126	485	100	85	1,112	9.6%	0.5%	-	150	41	1,220	1,0														

**2.10 MONTHLY TARGETS FOR
REVENUE, EXPENDITURE
AND CASH FLOW**

KZN292 Kwadukuza - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																
Property rates		-	43 280	30 296	30 296	30 296	30 296	30 296	30 296	30 296	30 296	30 296	30 296	346 237	367 707	391 603
Property rates - penalties & collection charges		1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	1 009	12 106	12 832	13 640
Service charges - electricity revenue		56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	56 719	680 824	733 844	792 735
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue		5 673	5 673	5 673	5 673	5 673	5 673	5 673	5 673	5 673	5 673	5 673	5 673	68 077	72 161	76 708
Service charges - other																
Rental of facilities and equipment		94	94	94	94	94	94	94	94	94	94	94	94	1 133	1 201	1 276
Interest earned - external investments		2 708	2 708	2 708	2 708	2 708	2 708	2 708	2 708	2 708	2 708	2 708	2 708	32 501	34 451	36 621
Interest earned - outstanding debtors		473	473	473	473	473	473	473	473	473	473	473	473	5 676	6 017	6 396
Dividends received																
Fines		543	543	543	543	543	543	543	543	543	543	543	543	33 949	35 965	38 232
Leases and permits		16	16	16	16	16	16	16	16	16	16	16	16	193	205	218
Agency services		858	858	858	858	858	858	858	858	858	858	858	858	10 294	10 911	11 599
Transfers recognised - operational		10 864	10 864	10 864	10 864	10 864	10 864	10 864	10 864	10 864	10 864	10 864	10 864	130 486	144 904	159 411
Other revenue		2 253	2 253	2 253	2 253	2 253	2 253	2 253	2 253	2 253	2 253	2 253	2 253	41 146	42 500	44 341
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contribution)		81 211	124 490	115 041	111 507	111 507	115 041	111 507	111 507	115 041	111 507	111 507	142 556	1 362 421	1 462 717	1 572 800
Expenditure By Type																
Employee related costs		27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	27 413	22 071	323 610	346 910	370 847
Remuneration of councillors		1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 402	21 235	22 764	24 334
Debt impairment		444	444	444	444	444	444	444	444	444	444	444	31 084	35 977	36 640	37 343
Depreciation & asset impairment				15 938			15 938						30 938	78 750	82 691	87 073
Finance charges		2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	2 058	24 867	23 307	22 354
Bulk purchases		43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	43 935	45 232	528 514	569 738	615 317
Other materials		3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 570	3 620	42 885	45 649	48 119
Contracted services		2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	2 319	3 643	30 297	31 826	33 520
Transfers and grants		2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	2 444	15 448	42 336	44 747	47 427
Other expenditure		15 666	15 666	15 666	15 666	15 666	15 666	15 666	15 666	15 666	15 666	15 666	37 070	209 399	214 200	226 075
Loss on disposal of PPE		41	41	41	41	41	41	41	41	41	41	41	41	494	525	556
Total Expenditure		99 692	99 692	115 630	99 692	99 692	115 630	99 692	99 692	115 630	99 692	100 840	192 617	1 338 193	1 418 996	1 512 966
Surplus/(Deficit)		(18 482)	24 798	(589)	11 814	11 814	(589)	11 814	11 814	(589)	11 814	10 666	(50 060)	24 227	43 721	59 834
Transfers recognised - capital			7 000	8 986	11 779	9 420	6 300	6 470	9 294	3 500	4 150	1 350	-	68 249	72 366	63 066
Contributors recognised - capital																
Contributed assets																
Surplus/(Deficit) after capital transfers & contributions		(18 482)	31 798	8 398	23 593	21 234	5 711	18 284	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900
Taxation																
Attributable to minorities																
Share of surplus/(deficit) of associate																
Surplus/(Deficit)		(18 482)	31 798	8 398	23 593	21 234	5 711	18 284	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

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ZN292 Kwadukruza - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Municipal Manager		112	5 112	4 112	2 112	112	112	112	112	112	112	112	111	12 342	8 928	64
Vote 2 - Corporate Services		6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	6 180	74 160	87 012	98 596
Vote 3 - Finance		4 024	47 304	34 320	34 320	34 320	34 320	34 320	34 320	34 320	34 320	34 320	34 320	394 525	418 545	445 015
Vote 4 - Economic Development Planning		1 779	1 779	1 794	2 029	1 899	1 779	1 779	1 779	9 719	9 719	9 719	1 887	21 847	22 549	23 622
Vote 5 - Municipal Services: Community Services		9 719	11 719	11 519	11 219	11 219	11 719	9 719	9 719	9 719	9 719	9 719	(9 288)	106 445	118 504	116 637
Vote 6 - Municipal Services: Community Safety		220	220	220	5 720	5 720	4 520	5 190	9 014	3 720	4 370	1 570	5 913	46 400	49 184	52 282
Vote 7 - Civil Engineering		59 172	59 172	65 878	61 701	61 472	62 707	60 672	59 672	62 707	59 172	59 172	(630 796)	40 705	38 077	49 444
Vote 8 - Electrical Engineering		3	3	3	3	3	3	3	3	3	3	3	734 171	734 207	792 247	850 163
Vote 9 - Corporate Governance													39	39	41	43
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		81 211	131 490	124 027	123 286	120 927	121 341	117 976	120 800	118 541	115 657	112 867	142 556	1 430 669	1 536 086	1 635 866
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Manager		1 826	1 826	1 860	1 826	1 826	1 860	1 826	1 826	1 860	1 826	1 826	3 668	23 653	25 481	27 133
Vote 2 - Corporate Services		5 705	5 705	6 324	5 705	5 705	6 324	5 705	5 705	6 324	5 705	5 705	22 182	86 778	86 540	91 564
Vote 3 - Finance		2 659	2 659	2 857	2 659	2 659	2 857	2 659	2 659	2 857	2 659	3 807	21 038	52 027	53 362	56 329
Vote 4 - Economic Development Planning		6 828	6 828	7 754	6 828	6 828	7 754	6 828	6 828	7 754	6 828	6 828	(80 811)	82 017	87 499	89 186
Vote 5 - Municipal Services: Community Services		20 963	20 963	23 431	20 963	20 963	23 431	20 963	20 963	23 431	20 963	20 963	54 854	157 186	166 738	177 113
Vote 6 - Municipal Services: Community Safety		5 257	5 257	10 725	5 257	5 257	10 725	5 257	5 257	10 725	5 257	5 257	(528 230)	129 089	136 297	143 709
Vote 7 - Civil Engineering		54 775	54 775	60 681	54 775	54 775	60 681	54 775	54 775	60 681	54 775	54 775	671 359	92 010	96 805	101 904
Vote 8 - Electrical Engineering		1 879	1 879	1 997	1 879	1 879	1 997	1 879	1 879	1 997	1 879	1 879	22 848	692 384	741 914	796 129
Vote 9 - Corporate Governance														22 848	24 359	25 000
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		99 692	99 692	115 630	99 692	99 692	115 630	99 692	99 692	115 630	99 692	100 840	192 617	1 338 153	1 418 996	1 512 966
Surplus/(Deficit) before assoc.		(18 482)	31 798	8 398	23 593	21 234	5 711	18 284	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	(18 482)	31 798	8 398	23 593	21 234	5 711	18 284	21 108	2 911	15 964	12 016	(50 060)	92 476	116 090	122 900

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

**2.11 ANNUAL BUDGETS AND SERVICE
DELIVERY AND BUDGET
IMPLEMENTATION PLANS – INTERNAL
DEPARTMENTS**

2.11.1. DETAILED OPERATING BUDGET

2.11.2. DEPARTMENTAL SDBIPS

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KWADUKUZA MUNICIPALITY - FINAL **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	2014/2015	2015/16	2016/17	2017/18	2018/19
		Council General					
		Income					
20	3	PROFIT/LOSS ON DISPOSAL ASSETS	(53 500)	(30 000)	-	-	-
20	4	GRANTS RECEIVED & UTILIZED	(66 320 339)	-	-	-	-
20	5	STORES SURPLUS	-	-	-	-	-
20	160	COUNCIL ASSETS	(142 773)	(174 158)	(115 225)	(122 139)	(137 624)
20	200	DONATIONS - ASSETS	(15 195 302)	-	-	-	-
20	201	ASSET RECOGNITION	(604 121)	-	-	-	-
20	700	PROCEEDS FROM INSURANCE	(155 867)	(50 000)	(220 000)	(230 494)	(259 716)
20	10186	DEBT COLLECTION	(37 426)	(45 000)	(45 000)	(47 700)	(53 747)
20	10200	POST & TEL RECOVERED	-	-	-	(50 562)	(53 747)
20	55095	EQUITABLE SHARE	(47 058 411)	(62 276 603)	(73 534 867)	(86 348 439)	(97 890 744)
20	60130	LEGAL FEES: RECOVERED	(18 988)	(8 989)	(66 000)	(73 034)	(77 635)
20	60160	MISCELLANEOUS REVENUE	(1 000)	(4 400)	(4 664)	(4 944)	(5 255)
20	60250	SUNDRIES	(5 145 000)	-	-	-	-
20	60270	TRAINING REFUND	-	-	-	-	-
20	60280	REVALUATION OF INVESTMENT PROPERTY	-	-	-	-	-
20	60290	TRAVELING & SUBSISTANCE	(134 732 726)	(62 559 150)	(62 756 228)	(74 008 763)	(98 424 722)
20	200030	COUNCILLOR ALLOWANCES	17 612 038	20 188 837	20 128 837	21 234 858	22 763 768
20	200110	MEDICAL AID : N M A F	2 036 248	2 117 907	2 177 907	2 596 432	2 783 376
20	200240	SKILLS LEVY	150	-	-	-	-
20	200480	CONTRIBUTION	19 648 437	22 306 744	22 306 744	23 831 290	25 547 143
20	220050	BAD DEBT PROVISION	-	-	-	-	-
20	220051	CONTRIBUTION TO CAPITAL REDEMPTION	-	-	-	-	-
20	220065	ACTUAL GAINS (LS AWARDS & MED CONTR)	-	-	-	-	-
20	220080	LEAVE PROVISION	1 351 514	636 000	636 000	686 880	721 224
20	220090	STAFF BONUS PROVISION	766 877	860 000	928 800	975 240	1 026 928
20	235010	BUILDING & FENCES-ADJ. JOB NO.	3 823	10 500	10 500	11 025	11 709
20	235050	FURNITURE-OFFICE MACH & EQUIP.	1 850	21 000	16 000	16 800	17 842
20	235230	VEHICLES AND PLANT	125 439	165 000	225 000	236 250	250 898
20	235330	KITCHEN WARE	6 805	50 000	40 000	42 000	44 604
20	235630	REPAIRS AND MAINTENANCE INSURANCE	137 917	247 500	282 500	307 125	326 167
		General Expenses					
20	260035	AUDIT FEE - EXTERNAL AUDIT	1 892 677	3 150 000	3 150 000	3 241 350	3 442 314
20	260070	LEASE-OFFICE MACHINES & EQUIP.	13 719	32 000	32 000	32 928	34 970
20	260100	PRINTING AND STATIONERY	141 589	202 121	202 121	207 983	220 877
20	260110	BOOK PURCHASES	6 496	11 000	6 000	6 174	6 557
20	260130	BAD DEBTS WRITTEN OFF	-	-	-	-	-
20	260160	CONFERENCE & WORKSHOPS	3 200 069	2 150 000	2 150 000	2 212 350	2 349 516
20	260200	CLEANING MATERIALS	399 572	200 000	200 000	205 800	218 560
20	260290	CIVIC COURTESY	11 989	10 000	10 000	10 290	10 928
20	260330	REFRESHMENTS	-	-	-	-	-
20	260381	INDIGENT SUPPORT	57 860	49 362	39 362	40 504	43 015
20	260550	GRANTS-IN-AID	56 494	120 000	120 000	123 480	131 136
20	260560	SUBSCRIPTIONS	79 656	200 000	200 000	205 800	218 560
20	260561	STORES SHORTAGES	2 779 806	3 300 000	3 347 900	3 444 989	3 658 578
20	260570	INSURANCE GENERAL	6 451	4 200	4 200	4 322	4 590
20	260640	LEGAL COSTS	139 336	205 996	305 996	335 862	356 685
20	260710	POSTAGE	3 121	130 000	130 000	133 770	142 064
20	260740	WATER AND SANITATION	625 234	900 246	568 593	586 111	622 450
20	260750	RODENT INSECT & PEST CONTROL	199 565	225 883	225 883	232 434	246 844
20	260800	TRAINING COSTS OF STAFF	471 397	-	-	-	-
20	260900	TRAVELING & SUBSISTANCE	369 300	387 000	387 000	398 223	422 913
20	260910	TRAVELING OTHER	-	-	-	-	-
20	260920	TELEPHONE CALLS/RENTALS	-	170 000	369 000	379 701	403 242
20	260940	VALUATIONS & VALUATION ROLLS	30 930	52 000	52 000	53 508	56 825
20	260970	ELECTRICITY AND RATES	2 844 762	2 820 000	2 820 000	2 901 780	3 081 890
20	260972	RETIREMENT RECOGNITION	1 819 402	-	5 000 000	4 900 000	5 203 800
20	261060	EXCESS ON INSURANCE	25 800	60 000	90 000	32 928	34 970
20	261530	TRACKING FEES	8 284	5 608	12 331	12 689	13 475
20	261677	HIV/AIDS PROGRAMMES	-	-	-	-	-
20	26178	-	60 178	60 178	60 178	60 178	60 178
20	3 263 510	-	3 263 510	3 263 510	3 263 510	3 263 510	3 263 510
20	5 610 824	-	5 610 824	5 610 824	5 610 824	5 610 824	5 610 824
20	37 033	-	37 033	37 033	37 033	37 033	37 033
20	14 270	-	14 270	14 270	14 270	14 270	14 270
20	11 573	-	11 573	11 573	11 573	11 573	11 573

**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative	Indicative
20	261695	INSURANCE CLAIM IMPAIRMENTS	250 000	250 000	250 000	257 250	273 200	289 318	289 318
20	261709	COUNCILOR INDUCTIONS/TRAINING	95 931	50 000	50 000	51 450	54 640	57 864	57 864
20	265002	LOSS ON DISPOSAL OF ASSETS	1 748 671	-	-	-	-	-	-
20	270001	DEPRECIATION	938 341	1 008 047	906 337	956 337	1 004 153	1 057 374	1 057 374
		DEPRECIATION	938 341	1 008 047	906 337	956 337	1 004 153	1 057 374	1 057 374
		Capital Charges							
		Recharges							
20	280060	LESS: CHARGES TO OTHER DEPTS	(2 945 712)	(3 114 713)	(3 114 713)	(3 301 596)	(3 499 691)	(3 720 172)	(3 720 172)
			(2 945 712)	(3 114 713)	(3 114 713)	(3 301 596)	(3 499 691)	(3 720 172)	(3 720 172)
			(97 699 759)	(12 817 792)	(7 183 611)	(15 674 567)	(30 841 232)	(39 365 614)	(39 365 614)
		Human Resources							
		Income							
21	10200	POST & TEL RECOVERED	-	-	-	-	-	-	-
21	60270	TRAINING REFUND	(792 287)	(22 969)	(37 969)	(25 770)	(27 316)	(29 037)	(29 037)
21	60400	LGSETA REVENUE	(30 399)	-	(7 200)	-	-	-	-
21	65119	BURSARY REFUND	(822 666)	(22 969)	(1 530 169)	(25 770)	(27 316)	(29 037)	(29 037)
		Salaries and Allowances							
21	200000	SALARIES	3 403 422	3 670 120	3 795 120	4 300 596	4 610 239	4 928 346	4 928 346
21	200010	LEAVE BONUS SALARIED STAFF	279 722	293 547	293 547	347 275	372 279	397 966	397 966
21	200020	ACCUMULATED LEAVE PAY	145 149	155 676	155 676	201 024	215 498	230 367	230 367
21	200060	OVERTIME	25 366	18 156	28 156	9 551	10 239	10 945	10 945
21	200080	GROUP LIFE ASSURANCE CONTRIB	27 433	29 634	29 634	31 776	34 064	36 414	36 414
21	200090	HOUSING SUBSIDY	25 366	28 429	33 429	31 800	34 090	36 442	36 442
21	200110	MEDICAL AID : N M A F	246 593	269 321	269 321	343 809	368 563	393 994	393 994
21	200140	PENSION: SUPERANNUATION	659 402	1 073 192	880 192	964 747	1 034 209	1 105 669	1 105 669
21	200160	INDUSTRIAL COUNCIL LEVIES	1 200	1 603	1 603	1 933	2 072	2 215	2 215
21	200180	TRAVELLING ALLOWANCES	282 919	259 234	309 234	283 198	303 566	324 536	324 536
21	200190	TELEPHONE ALLOWANCE	14 020	19 080	19 080	19 080	20 454	21 865	21 865
21	200200	UNEMPLOYMENT FUND CONTRIBUTION	24 608	30 232	30 232	30 905	33 130	35 416	35 416
21	200230	WORKMEN'S COMPENSATION	38 483	46 456	46 456	52 105	55 857	59 711	59 711
21	200240	SKILLS LEVY	41 468	45 936	48 936	51 539	55 250	59 062	59 062
		Repairs and Maintenance							
21	235010	BUILDING & FENCES-ADD JOB NO.	2 755	3 600	11 383	11 952	12 693	13 442	13 442
21	235230	VEHICLES AND PLANT	5 117	5 000	7 000	7 950	8 443	8 941	8 941
21	235330	KITCHEN WARE	-	1 000	1 000	1 050	1 115	1 181	1 181
		General Expenses							
21	250001	CONSULTANTS/OUTSOURCE	913 066	300 000	450 000	308 700	327 839	347 182	347 182
21	260070	LEASE-OFFICE MACHINES & EQUIP	11 748	17 000	17 000	17 493	18 578	19 674	19 674
21	260100	PRINTING AND STATIONERY	33 224	55 000	55 000	56 595	60 104	63 650	63 650
21	260110	BOOK PURCHASES	-	-	-	-	-	-	-
21	260160	CONFERENCE & WORKSHOPS	15 930	15 750	15 750	16 207	17 212	18 227	18 227
21	260200	CLEANISING MATERIALS	5 631	7 400	7 400	7 615	8 087	8 564	8 564
21	260330	REFRESHMENTS	6 511	7 200	7 200	7 409	7 868	8 332	8 332
21	260650	RENT OF PROPERTY/OFFICES/HOUSE	652 651	1 300 000	1 600 000	1 646 400	1 748 477	1 851 837	1 851 837
21	260810	SUNDARY OILS AND FUELS	23 769	25 392	25 392	26 128	27 748	29 386	29 386
21	260880	TRAINING COSTS OF STAFF	241 257	160 000	130 000	164 640	174 848	185 164	185 164
21	260900	TRAVELLING & SUBSISTANCE	18 011	9 900	9 900	10 187	10 819	11 457	11 457
21	260920	TELEPHONE CALLS/RENTALS	-	-	-	-	-	-	-
21	260972	RETIREMENT RECOGNITION	26 400	6 100 000	100 000	98 000	104 076	110 216	110 216
21	261330	MEDICAL EXAMINATIONS	24 607	53 000	60 000	61 740	65 568	69 436	69 436
21	261530	TRACKING FEES	-	2 804	2 748	2 828	3 003	3 180	3 180
21	261760	PUBLICATIONS	38 993	1 000	1 000	1 029	1 093	1 157	1 157
21	261761	WORKERS MONTH	62 085	42 320	42 320	43 547	46 247	48 976	48 976
21	261762	EAP PROGRAMME - COUNCIL & EMPLOYEES	65 382	100 000	120 000	123 480	131 136	138 873	138 873
21	261763	CORPORATE PERFORMANCE	44 000	44 000	44 000	45 276	48 083	50 920	50 920
21	261764	BURSARY FUND FOR EMPLOYEES	488 508	522 000	522 000	537 138	570 441	604 097	604 097
21	261769	OCC HEALTH & SAFETY	153 331	200 000	90 000	92 610	98 352	104 155	104 155
21	261798	LABOUR RELATIONS	229 728	100 000	150 000	154 350	163 920	173 591	173 591
21	261830	COMPETENCY ASSESSMENT	-	-	-	-	-	-	-

**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited 2014/2015	Approved 2015/16	Adjusted 2015/16	Budget 2016/17	Approved 2017/18	Indicative 2018/19
21	261831	STAFF PSYCHOLOGICAL SERVICE	100 000	13 000	13 000	13 377	14 206	15 045
21	261832	JOB EVALUATION						3 366
21	261837	LGSETA GRANT EXPENDITURE	52 900	2 900	2 900	2 984	3 169	
21	265005	RECRUITMENT & SELECTION PROCESS	9 426	28 000	58 000	60 900	64 676	68 492
21	270001	DEPRECIATION	3 020 257	9 293 666	5 058 610	3 550 083	3 770 188	3 992 629
		Capital Charges	62 319	77 841	61 465	111 465	117 038	123 241
			62 319	77 841	61 465	111 465	117 038	123 241
21	280060	LESS:CHARGES TO OTHER DEPTS	(271 777)	(287 655)	(287 655)	(304 915)	(323 209)	(342 602)
		Recharges	(271 777)	(287 655)	(287 655)	(304 915)	(323 209)	(342 602)
			7 211 138	15 010 988	9 262 148	10 021 153	10 708 482	11 410 643
		Municipal Manager's Office						
		Income						
22	10200	POST & TEL RECOVERED						
22	60270	TRAINING REFUND						
22	65116	EPWP	(1 377 454)	(1 418 000)	(1 418 000)	(1 285 000)	(47 316)	(50 155)
		Salaries and Allowances	(1 377 454)	(1 465 585)	(1 465 585)	(1 329 638)	(47 316)	(50 155)
22	200000	SALARIES	5 595 013	6 137 004	5 987 004	7 271 881	7 795 456	8 333 343
22	200010	LEAVE BONUS SALARIED STAFF	240 093	472 146	472 146	633 447	679 055	725 910
22	200060	OVERTIME	59 617	214 031	214 031	257 837	276 401	295 473
22	200080	GROUP LIFE ASSURANCE CONTRIB.	23 744	43 324	43 324	40 871	43 814	46 837
22	200090	HOUSING SUBSIDY	6 402	6 932	11 932	11 448	12 272	13 119
22	200110	MEDICAL AID : N M A F	315 999	314 120	314 120	613 125	550 070	588 025
22	200140	PENSION: SUPERANNUATION	871 636	1 774 190	1 034 190	1 510 255	1 618 993	1 730 704
22	200180	TRAVELLING ALLOWANCES	1 288	2 045	2 045	2 541	2 724	2 912
22	200190	TELEPHONE ALLOWANCE	625 245	1 116 659	1 021 659	922 030	988 416	1 056 617
22	200200	UNEMPLOYMENT FUND CONTRIBUTION	51 740	93 672	93 672	63 144	67 690	72 361
22	200230	WORKMENS COMPENSATION	27 450	40 533	40 533	41 420	44 402	47 466
22	200240	SKILLS LEVY	66 238	89 461	89 461	89 276	96 704	102 307
22	235230	VEHICLES AND PLANT	480	4 000	-	-	-	-
		Repairs and Maintenance	480	4 000	-	-	-	-
22	250001	CONSULTANTS/OUTSOURC						
22	260100	PRINTING AND STATIONERY	5 838	5 800	7 800	8 026	8 524	9 027
22	260110	BOOK PURCHASES						
22	260120	BYLAWS-PROMULGATIONS/AMEND	1 075	7 200	7 200	7 409	7 868	8 332
22	260160	CONFERENCE & WORKSHOPS	13 070	25 000	30 000	49 000	52 038	55 108
22	260200	CLEANING MATERIALS	260	500	25 000	25 725	27 320	28 832
22	260290	CIVIC COURTESY	71 188	200 000	444 000	416 876	442 722	468 843
22	260570	INSURANCE GENERAL	12 549	18 823	18 823	20 660	21 941	23 235
22	260640	LEGAL COSTS	5 129 363	2 300 000	2 800 000	2 326 700	2 470 955	2 616 742
22	260740	WATER AND SANITATION	429	42 050	700 000	784 000	832 608	881 732
22	260810	SUNDRY OILS AND FUELS	9 702	15 900	15 900	16 361	17 375	18 401
22	260880	TRAINING COSTS OF STAFF	200	5 000	5 000	9 800	10 408	11 022
22	260900	TRAVELLING & SUBSISTANCE	44 099	38 000	38 000	39 102	41 526	43 976
22	260970	ELECTRICITY AND RATES	11 178	13 509	13 509	13 901	14 762	15 633
22	260979	STRATEGIC PLANNING						
22	261666	CATERING	3 508	15 000	15 000	15 435	16 392	17 359
22	261667	SERVICE DELIVERY MONTH / INITIATIVE	86 139	45 000	45 000	46 305	49 176	52 077
22	261754	BURSARY FUND				80 000	84 960	89 973
22	261766	SUKUMA SAKHE	507 746	700 000	2 565 540	2 720 300	2 888 959	3 059 407
22	261767	CENTENARY						
22	261768	DISASTER MANAGEMENT						
22	261769	OCCUPATIONAL HEALTH AND SAFETY						

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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

1333

Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative
		Corporate Communications						
24	10200	POST & TEL RECOVERED						
24	60270	TRAINING REFUND						
		Salaries and Allowances						
24	200000	SALARIES	1 337 300	1 456 478	1 796 478	1 959 064	2 100 117	2 245 025
24	200010	LEAVE BONUS SALARIED STAFF	96 540	121 373	121 373	163 255	175 009	187 085
24	200020	ACCUMULATED LEAVE PAY	15 788	46 607	46 607	91 516	98 105	104 874
24	200060	OVERTIME	68 296	63 936	253 936	121 773	130 541	139 548
24	200080	GROUP LIFE ASSURANCE CONTRIB.	8 969	10 341	12 341	13 909	14 910	15 939
24	200090	HOUSING SUBSIDY	4 800	5 088	5 088	5 454	5 831	6 331
24	200110	MEDICAL AID : N M A F	84 281	104 355	104 355	135 379	145 126	155 140
24	200160	INDUSTRIAL COUNCIL LEVIES	407	445	445	712	763	816
24	200180	TRAVELLING ALLOWANCES	129 598	136 994	136 994	136 994	146 858	156 991
24	200190	TELEPHONE ALLOWANCE	7 010	9 540	9 540	10 227	10 227	10 933
24	200200	UNEMPLOYMENT FUND CONTRIBUTION	8 923	9 918	12 918	13 271	14 227	15 208
24	200230	WORKMENS COMPENSATION	15 672	17 864	17 864	23 794	25 507	27 267
24	200240	SKILLS LEVY	16 412	17 591	27 591	23 520	25 213	26 953
		General Expenses						
24	260030	ADVERTISING	1 576 191	1 400 000	2 400 000	1 078 000	1 144 836	1 212 381
24	260070	LEASE-OFFICE MACHINES & EQUIP.						
24	260100	PRINTING AND STATIONERY	5 030	20 000	20 000	20 678	21 960	23 256
24	260110	BOOK PURCHASES						
24	260160	CONFERENCE & WORKSHOPS	4 500	4 500	4 500	4 653	4 941	5 233
24	260310	MARKETING	1 200 000	-	1 000 000	980 000	1 040 760	1 102 165
24	260330	REFRESHMENTS	429	900	900	931	988	1 047
24	260740	WATER AND SANITATION		11 070	361	389	413	437
24	260880	TRAINING COSTS OF STAFF	7 200	10 500	10 500	10 856	11 529	12 209
24	260900	TRAVELING & SUBSISTANCE	11 665	27 000	27 000	27 915	29 646	31 395
24	260920	TELEPHONE CALLS/RENTALS						
24	260970	ELECTRICITY AND RATES	11 178	10 720	10 720	11 083	11 771	12 465
24	261688	MAJORAL AWARDS	362 459	500 000	400 000	413 560	439 201	466 114
24	261689	MUSIC FESTIVAL		1 300 000	1 500 000	490 000	520 380	551 082
24	261711	KOM VIDEO PROJECT						
24	261771	PUBLIC AFFAIRS	1 445 503	1 850 000	1 850 000	1 813 000	1 925 406	2 039 005
24	261772	DIARIES AND YEAR PLANNER	103 450	106 000	106 000	109 593	116 388	123 255
24	261773	CORPORATE BRANDING	1 500	200 000	200 000	206 780	219 600	232 557
24	261774	EVENTS	499 331	350 000	250 000	258 475	274 500	290 696
24	261775	MEMORIAL EVENT	264 500					
24	261776	STATE OF THE MUNICIPALITY ADDRESS	25 900	211 600	211 600	218 773	232 337	246 045
24	261777	MORAL REGENERATION PROGRAMME						
24	261799	MUNICIPAL PUBLICATIONS		105 800	105 800	109 387	116 169	123 023
		Depreciation						
24	270001	EXPENSE DEPRECIATION	78 664	105 251	107 415	157 415	165 285	174 045
		Corporate Administration						
		Income						
25	10200	POST & TEL RECOVERED						
25	20140	RENT	(1 086)					
25	45030	LICENCE APPLICATION FEES	(68 575)	(63 300)	(63 300)	(66 782)	(70 788)	(75 248)
25	60270	TRAINING REFUND	(19 884)	(14 579)	(14 579)	(15 381)	(16 304)	(17 331)
		Salaries and Allowances						
25	200000	SALARIES	4 432 616	4 952 629	4 852 629	5 578 034	5 979 652	6 392 248
25	200010	LEAVE BONUS SALARIED STAFF	408 121	387 123	387 123	452 043	484 590	518 027
25	200020	ACCUMULATED LEAVE PAY	232 879	139 996	139 996	157 956	169 329	181 013
25	200060	OVERTIME	56 311	47 061	62 061	30 913	33 139	35 425
25	200070	STANDBY ALLOWANCES	21 159	22 976	22 976	24 584	26 354	28 172
25	200080	GROUP LIFE ASSURANCE CONTRIB.	31 809	36 008	36 008	33 654	36 077	38 566
25	200090	HOUSING SUBSIDY	28 113	30 274	30 274	38 160	40 908	43 730
25	200110	MEDICAL AID : N M A F	272 931	287 268	287 268	387 896	415 825	444 516

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

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Dept	Item	Item Name	Audited	2014/2015	2015/16	Adjusted	Budget	2016/17	Approved	Indicative	2017/18	Indicative
25	200140	PENSION: SUPERANNUATION	766 733	1 220 655	920 655	995 971	1 067 681	1 141 351	3 264	387 204	362 212	369 992
25	200160	INDUSTRIAL COUNCIL LEVIES	1 810	2 314	2 314	2 848	3 053	3 264	387 204	362 212	369 992	369 992
25	200180	TRAVELLING ALLOWANCES	276 199	338 202	313 202	337 884	362 212	387 204	387 204	362 212	369 992	369 992
25	200190	TELEPHONE ALLOWANCE	19 210	22 740	32 740	32 280	34 604	36 992	36 992	34 604	36 992	36 992
25	200200	UNEMPLOYMENT FUND CONTRIBUTION	31 380	40 517	40 517	42 475	45 533	48 675	48 675	45 533	48 675	48 675
25	200230	WORKMENS COMPENSATION	66 053	63 583	62 905	66 336	71 112	76 019	76 019	71 112	76 019	76 019
25	200240	SKILLS LEVY	53 425	62 905	62 905	65 660	70 388	75 244	75 244	70 388	75 244	75 244
25	200240	SKILLS LEVY	6 688 751	7 654 251	7 254 251	8 246 884	8 840 456	9 450 447	9 450 447	8 840 456	9 450 447	9 450 447
		Repairs and Maintenance										
25	235010	BUILDING & FENCES-ADJ. JOB NO.	95 213	75 000	120 000	126 000	133 812	141 707	141 707	133 812	141 707	141 707
25	235050	FURNITURE-OFFICE MACH. & EQUIP.	10 058	10 580	10 580	11 109	11 798	12 494	12 494	11 798	12 494	12 494
25	235230	VEHICLES AND PLANT	31 705	31 500	26 500	27 825	29 550	31 294	31 294	29 550	31 294	31 294
		General Expenses										
25	260070	LEASE-OFFICE MACHINES & EQUIP.	41 144	50 000	50 000	51 695	54 900	58 139	58 139	54 900	58 139	58 139
25	260100	PRINTING AND STATIONERY	316 758	230 000	192 000	198 509	210 816	223 255	223 255	210 816	223 255	223 255
25	260110	BOOK PURCHASES	7 609	3 000	14 000	14 475	15 372	16 279	16 279	15 372	16 279	16 279
25	260160	CONFERENCE & WORKSHOPS	13 500	13 500	13 500	13 958	14 823	15 698	15 698	14 823	15 698	15 698
25	260200	CLEANING MATERIALS	15 648	21 000	21 000	21 712	23 058	24 418	24 418	23 058	24 418	24 418
25	260330	REFRESHMENTS	17 682	20 700	20 700	224	769	814	814	769	814	814
25	260570	INSURANCE GENERAL	20 966	31 449	31 449	34 519	36 659	38 822	38 822	36 659	38 822	38 822
25	260630	LITERATURE & PUBLICATIONS	-	-	-	-	-	-	-	-	-	-
25	260740	WATER AND SANITATION	6 669	48 392	6 833	6 288	6 678	7 072	7 072	6 678	7 072	7 072
25	260810	SUNDRY OILS AND FUELS	15 557	35 000	35 000	36 187	38 430	40 697	40 697	38 430	40 697	40 697
25	260880	TRAINING COSTS OF STAFF	34 995	37 000	37 000	38 254	40 626	43 023	43 023	40 626	43 023	43 023
25	260900	TRAVELLING & SUBSISTANCE	2 661	6 300	6 300	6 514	6 917	7 326	7 326	6 917	7 326	7 326
25	260920	TELEPHONE CALLS/RENTALS	-	-	-	-	-	-	-	-	-	-
25	260970	ELECTRICITY AND RATES	55 885	95 707	95 707	98 951	105 086	111 286	111 286	105 086	111 286	111 286
25	261100	PROTECTIVE CLOTHING	12 807	21 160	21 160	21 877	22 234	24 605	24 605	22 234	24 605	24 605
25	261530	TRACKING FEES	3 824	4 206	4 111	4 250	4 514	4 780	4 780	4 514	4 780	4 780
		Depreciation										
25	270001	DEPRECIATION	154 863	177 742	184 198	234 198	245 908	258 941	258 941	245 908	258 941	258 941
		Capital Charges										
25	271000	INTEREST ON EXTERNAL LOANS	4 768	-	-	-	-	-	-	-	-	-
		Recharges										
25	280060	LESS: CHARGES TO OTHER DEPTS	(948 297)	(1 003 701)	(1 003 701)	(1 063 923)	(1 127 758)	(1 198 807)	(1 198 807)	(1 127 758)	(1 198 807)	(1 198 807)
		Housing										
		Income										
26	7	LAND SALES	-	(30 000)	(30 000)	(31 650)	(33 549)	(35 663)	(35 663)	(33 549)	(35 663)	(35 663)
26	10200	POST & TEL RECOVERED	(456 457)	(470 000)	(470 000)	(495 850)	(525 601)	(558 714)	(558 714)	(525 601)	(558 714)	(558 714)
26	20140	RENT	(30 000)	(30 000)	(30 000)	(31 650)	(33 549)	(35 663)	(35 663)	(33 549)	(35 663)	(35 663)
26	25012	CONDITIONAL INTEREST ON HOA	(74 215)	(10 000)	(30 000)	(31 800)	(33 708)	(35 832)	(35 832)	(33 708)	(35 832)	(35 832)
26	25085	INTEREST ON INSTALLMENTS	(24 161)	(25 000)	(25 000)	(26 375)	(27 958)	(29 719)	(29 719)	(27 958)	(29 719)	(29 719)
26	55017	TRANSFER COSTS : DOHS	(77 400)	(100 000)	(100 000)	(105 500)	(111 830)	(118 875)	(118 875)	(111 830)	(118 875)	(118 875)
26	60180	RECOVERY OF INSURANCE	(464)	(1 500)	(1 500)	(1 583)	(1 677)	(1 783)	(1 783)	(1 677)	(1 783)	(1 783)
26	60270	TRAINING REFUND	(31 934)	(31 934)	(31 934)	(38 698)	(41 020)	(43 604)	(43 604)	(38 698)	(41 020)	(43 604)
26	65002	GAINS ON DISPOSAL OF ASSETS	(200 000)	(200 000)	(200 000)	(213 216)	(225 009)	(237 281)	(237 281)	(225 009)	(237 281)	(237 281)
26	65120	HUMAN SETTLEMENT BRIDGE FINANCE REFUND	(4 333 000)	(4 333 000)	(2 494 000)	(4 728 000)	(4 823 000)	(4 878 000)	(4 878 000)	(4 823 000)	(4 878 000)	(4 878 000)
26	65121	HOUSING ACCREDITATION FUNDING	(1 556 094)	(500 000)	(650 000)	(689 000)	(730 340)	(776 351)	(776 351)	(730 340)	(776 351)	(776 351)
26	65123	HOUSING ACCREDITATION FUNDING-ROLLOVER	(583 490)	(11 545 000)	(15 922 691)	(6 693 321)	(6 706 241)	(7 092 485)	(7 092 485)	(6 706 241)	(7 092 485)	(7 092 485)
		Salaries and Allowances										
26	200000	SALARIES	3 473 460	4 517 153	3 957 153	6 589 458	7 063 899	7 551 308	7 551 308	7 063 899	7 551 308	7 551 308
26	200010	LEAVE BONUS SALARIED STAFF	210 999	233 142	233 142	288 818	309 613	330 976	330 976	309 613	330 976	330 976
26	200020	ACCUMULATED LEAVE PAY	56 216	210 123	210 123	274 357	294 111	314 404	314 404	294 111	314 404	314 404
26	200060	OVERTIME	288 189	278 508	278 508	164 193	176 015	188 160	188 160	176 015	188 160	188 160
26	200080	GROUP LIFE ASSURANCE CONTRIB.	16 119	43 297	43 297	48 514	52 007	55 595	55 595	52 007	55 595	55 595
26	200090	HOUSING SUBSIDY	6 402	6 932	11 932	8 904	9 545	10 204	10 204	9 545	10 204	10 204

**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited	Approved	Adjusted	Approved	Indicative	Indicative
26	200110	MEDICAL AID : N M M A F	137 350	148 010	148 010	409 062	438 514	468 772
26	200140	PENSION: SUPERANNUATION	486 755	1 212 040	672 040	1 276 829	1 368 761	1 463 205
26	200160	INDUSTRIAL COUNCIL LEVIES	1 485	2 048	2 048	3 155	3 382	3 616
26	200180	TRAVELLING ALLOWANCES	249 265	244 949	254 949	602 076	645 425	689 960
26	200190	TELEPHONE ALLOWANCES	22 640	39 178	64 178	73 013	78 270	83 671
26	200200	UNEMPLOYMENT FUND CONTRIBUTION	27 036	47 212	47 212	50 144	53 754	57 463
26	200230	WORKMENS COMPENSATION	30 458	64 358	64 358	78 599	84 258	90 072
26	200240	SKILLS LEVY	42 323	63 868	63 868	77 395	82 967	88 692
26	200260	TOOL ALLOWANCE						

**KWADUKUZA MUNICIPALITY - FINAL
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Dept	Item	Item Name	Audited	Approved	Adjusted	Approved	Indicative	Indicative
			2014/2015	2015/16	2015/16	2015/17	2017/18	2018/19
			5 048 698	7 110 817	6 050 817	9 944 517	10 680 522	11 398 088
		Contribution						
26	220051	HOUSING:CONT FOR FUTURE EEDBS	78 076	-	-	-	-	-
			78 076					
		Repairs and Maintenance						
26	235010	BUILDING & FENCES-ADD JOB NO.	51 279	39 675	69 675	73 159	77 695	82 279
26	235225	HOSTEL/OLD AGE HOME	210 193	200 000	200 000	210 000	223 020	236 178
26	235226	HOUSING PROJECT - HOSTELS FAMILY UNITS	22 100	24 120	24 120	25 326	26 896	28 483
26	235230	VEHICLES AND PLANT	55 949	59 595	50 595	53 725	57 056	60 422
			338 520	323 390	344 390	362 209	384 666	407 362
		General Expenses						
26	250001	CONSULTANTS/OUTSOURCE	484 166	500 000	365 000	377 374	400 771	424 416
26	260017	GRANT EXPENDITURE		100 000	100 000	103 390	109 800	116 278
26	260070	LEASE-OFFICE MACHINES & EQUIP.	4 266	21 000	16 000	16 542	17 568	18 605
26	260090	BANK CHARGES	1 636	1 587	1 587	1 764	1 873	1 984
26	260100	PRINTING AND STATIONERY	25 302	31 800	42 800	44 251	46 994	49 757
26	260160	CONFERENCE & WORKSHOPS		-	-	-	-	-
26	260200	CLEANISING MATERIAL	4 263	4 542	4 542	4 696	4 987	5 281
26	260330	REFRESHMENTS	8 832	9 000	5 000	5 169	5 490	5 814
26	260570	INSURANCE GENERAL	55 475	80 713	80 713	88 591	94 083	99 634
26	260640	LEGAL FEES	145 233	100 000	100 000	103 390	109 800	116 278
26	260720	BODY CORPORATES LEVY	22 034	100 000	63 000	65 136	69 174	73 255
26	260740	WATER AND SANITATION	51 006	118 086	47 301	50 990	54 162	57 346
26	260800	SUBSIDIES - SELLING SCHEMES	112 855	140 000	310 000	320 509	340 361	360 463
26	260810	SUNDRY OILS AND FUELS	99 961	105 800	105 800	109 387	116 169	123 023
26	260880	TRAINING COSTS OF STAFF	283	1 058	1 058	1 094	1 162	1 230
26	260900	TRAVELLING & SUBSISTANCE	14 303	13 500	13 500	13 958	14 823	15 698
26	260920	TELEPHONE CALLS/RENTALS		-	-	-	-	-
26	260970	ELECTRICITY AND RATES	336 499	464 553	464 553	480 302	510 080	540 175
26	260973	SLUM CLEARING	16 559	31 211	21 211	21 930	23 290	24 664
26	261100	PROTECTIVE CLOTHING	28 143	32 375	32 375	33 472	35 548	37 645
26	261480	CAPACITY BUILDING		-	-	-	-	-
26	261530	TRACKING FEES	21 667	8 412	8 221	8 500	9 027	9 559
26	261800	HUMAN SETTLEMENT BRIDGE FINANCE	438 888	400 000	400 000	413 560	439 201	465 114
26	261801	EXPROPRIATION ADVERTISEMENT	467 632	45 000	-	-	-	-
26	261802	HOUSING ACCREDITATION EXPENDITURE	10 495	5 300 000	5 300 000	4 780 440	5 076 827	5 376 360
26	265002	LOSS ON DISPOSAL OF ASSETS			45 000	47 475	50 418	53 393
			2 349 497	7 608 637	7 527 661	7 091 918	7 531 617	7 875 963
		Depreciation						
26	270001	DEPRECIATION	36 743	112 954	106 001	156 001	163 801	172 483
			36 743	112 954	106 001	156 001	163 801	172 483
		Capital Charges						
		Recharges						
			5 080 255	(2 120 636)	(6 240 423)	10 861 324	12 034 366	12 859 440
		Youth Development						
		Income						
27	10200	POST & TEL RECOVERED						
27	60270	TRAINING REFUND		(7 932)	(7 932)	(9 427)	(9 993)	(10 622)
				(7 932)	(7 932)	(9 427)	(9 993)	(10 622)
		Salaries And Wages						
27	200000	SALARIES	1 249 465	1 349 478	1 379 478	1 554 549	1 666 477	1 781 463
27	200010	LEAVE BONUS SALARIED STAFF	73 077	102 519	102 519	129 546	138 873	148 456
27	200020	ACCUMULATED LEAVE PAY	26 430	63 071	63 071	70 823	75 922	81 161
27	200060	OVERTIME	173 347	204 389	284 389	159 571	171 060	182 863
27	200080	GROUP LIFE ASSURANCE CONTRIB.	6 310	9 581	9 581	11 037	11 832	12 648
27	200110	MEDICAL AID : N M M A F	139 009	156 609	166 609	210 541	225 700	241 273
27	200140	PENSION: SUPERANNUATION	120 996	242 973	242 973	279 897	300 050	320 753
27	200160	INDUSTRIAL COUNCIL LEVIES	475	534	534	712	763	816
27	200180	TRAVELLING ALLOWANCES	73 295	56 731	136 731	128 930	138 213	147 750

**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited	Outcome	Approved	Adjusted	Budget	Approved	Indicative	Indicative
27	200190	TELEPHONE ALLOWANCE	13 178	9 004	11 339	16 282	16 282	17 454	18 659	
27	200200	UNEMPLOYMENT FUND CONTRIBUTION								
27	200230	WORKMENS COMPENSATION	15 616	16 977	15 977			13 693	14 637	
27	200240	SKILLS LEVY	16 774	15 863	25 863	18 854	20 211	20 488	21 902	
27			1 917 875	2 245 346	2 455 346	2 612 627	2 800 736	2 993 987		
		Repairs and Maintenance								
27	235050	FURNITURE- OFFICE MACH. & EQUIP	5 097	52 900	47 900	5 352	5 684	53 413	56 565	6 019
27	235230	VEHICLES AND PLANT	40 629	57 987	52 987	55 647	59 087	62 584		
		General Expenses								
27	260070	LEASE-OFFICE MACHINES & EQUIP.	17 431	23 000	23 000	23 780	25 254	26 744	39 084	
27	260100	PRINTING AND STATIONERY	23 237	33 613	33 613	34 752	36 907	26 744		
27	260200	CLEANING MATERIALS	13 439	15 870	15 870	16 408	17 425	18 453		
27	260330	REFRESHMENTS	3 083	3 546	3 546	3 666	3 894	4 123		
27	260350	COMMUNITY CAPACITATION	86 442	105 800	90 800	93 878	99 699	105 581		
27	260810	SUNDRY OILS AND FUELS	13 892	47 754	47 754	49 373	52 434	55 528		
27	260880	TRAINING COSTS OF STAFF	7 884	10 580	10 580	10 839	11 617	12 302		
27	260900	TRAVELLING & SUBSISTANCE	1 409	1 603	1 603	1 658	1 760	1 864		
27	260920	TELEPHONE CALLS/RENTALS	-	-	-	-	-	-		
27	260974	YOUTH DEVELOPMENT	213 109	350 000	500 000	343 000	364 266	385 758		
27	260975	SPORTS DEVELOPMENT- WARDS	445 419	450 000	600 000	441 000	468 342	495 974		
27	261100	PROTECTIVE CLOTHING	1 844	42 392	32 392	33 490	35 566	37 665		
27	261630	TRUCKING FEES	8 922	9 814	9 591	9 916	10 531	11 152		
27	261714	YOUTH DEV. ARTIST DEVELOPMENT	3 900	38 160	38 160	39 454	41 900	44 372		
27	261715	YOUTH INCUBATOR PROGRAMME		28 620	28 620	29 590	31 425	33 279		
27	261716	YOUTH DEV.CAREER EXHIBITION		47 700	47 700	49 317	52 375	55 465		
27	261717	YOUTH DEV. BUSINESS SEMINAR	37 830	38 160	38 160	39 454	41 900	44 372		
27	261718	SPORTS DEV.JUNIOR SPORT	77 990	50 000	50 000	51 695	54 900	58 139		
27	261719	SPORTS DEV.MASS SPORTS MOBILIZATION	204 907	200 000	185 000	191 272	203 130	215 115		
27	261720	SPORTS DEV.WELLNESS & FITNESS	10 590	22 430	23 190	24 628	26 081	27 534		
27	261721	SPORTS DEV. RECREATION	181 142	197 105	197 105	203 787	216 422	229 191		
27	261754	BURSARY FUND		500 000	500 000	490 000	520 380	551 082		
27	261765	YOUTH MASS SKILLING PROGRAMME	452 849	375 000	260 000	264 992	281 422	298 025		
27	261779	KWANALOGA GAMES	342 302	550 000	750 000	539 000	572 418	606 191		

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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative	Indicative
29	200020	ACCUMULATED LEAVE PAY	2014/2015	2015/16	2015/16	Budget	2016/17	2017/18	2018/19
29	200080	GROUP LIFE ASSURANCE CONTRIB.	6 957	49 687	49 687	58 199	62 389	66 694	17 272
29	200090	HOUSING SUBSIDY	12 804	16 409	15 003	15 072	16 157	20 407	202 864
29	200110	MEDICAL AID : N M M A F	79 733	96 023	91 023	177 024	189 770	202 864	20 407
29	200140	PENSION: SUPERANNUATION	210 407	380 472	305 472	382 204	409 723	437 994	833
29	200180	TRAVELLING ALLOWANCES	190	623	623	814	873	833	683 094
29	200190	TELEPHONE ALLOWANCE	223 358	350 856	310 856	596 085	639 003	683 094	43 730
29	200200	UNEMPLOYMENT FUND CONTRIBUTION	4 145	14 373	14 373	38 160	40 908	43 730	17 789
29	200230	WORKMEN'S COMPENSATION	15 176	27 372	27 372	30 525	32 723	34 981	33 615
29	200240	SKILLS LEVY	12 469	26 671	26 671	29 333	31 445	33 615	4 226 293
29	235330	KITCHEN WARE	59	529	529	555	590	625	625
29	235330	Repairs and Maintenance	59	529	529	555	590	625	625
29	260100	PRINTING AND STATIONERY	3 465	7 000	10 000	10 339	10 980	11 628	11 628
29	260160	CONFERENCE & WORKSHOPS	9 395	9 000	9 000	9 305	9 882	10 465	10 465
29	260200	CLEANING MATERIALS	821	897	897	928	985	1 043	1 043
29	260330	REFRESHMENTS	2 323	1 431	1 431	1 480	1 571	1 664	1 664
29	260630	LITERATURE & PUBLICATIONS	148 600	300 000	300 000	310 170	329 401	348 835	348 835
29	260680	TRAINING COSTS OF STAFF	7 799	10 580	10 580	10 939	11 617	12 302	12 302
29	260900	TRAVELLING & SUBSISTANCE	21 748	33 390	33 390	34 522	36 662	38 825	38 825
29	260920	TELEPHONE CALLS/RENTALS	4 206	4 111	4 111	4 250	4 514	4 780	4 780
29	261530	TRACKING FEES	-	-	-	-	-	-	-
29	261662	CUSTOMER SURVEY	450 000	300 000	300 000	310 170	329 401	348 835	348 835
29	261783	CORPORATE IMAGE V2030	194 150	816 504	669 408	682 102	735 012	778 378	778 378
29	270001	DEPRECIATION	3 241	5 137	3 196	53 196	55 855	58 816	58 816
29	270001	DEPRECIATION	3 241	5 137	3 196	53 196	55 855	58 816	58 816
30	10130	FEES: LIBRARY SUBS-DISTRICT MEM	(518)	(742)	(742)	(787)	(834)	(886)	(886)
30	10190	PHOTO COPIES	(81 977)	(100 510)	(100 510)	(106 038)	(111 870)	(118 918)	(118 918)
30	10200	POST & TEL RECOVERED	(39 586)	(37 030)	(37 030)	(39 067)	(41 215)	(43 812)	(43 812)
30	40040	FINES: LIBRARY OVERDUE BOOKS	(15 559)	(15 870)	(15 870)	(16 743)	(17 664)	(18 777)	(18 777)
30	60001	ADMIN CHARGES	(68)	(68)	(68)	(72)	(77)	(81)	(81)
30	60125	LOST & DAMAGE BOOKS	(2 981)	(2 645)	(2 645)	(2 790)	(2 944)	(3 129)	(3 129)
30	60160	MISCELLANEOUS REVENUE	(27 642)	(26 450)	(26 450)	(27 905)	(29 440)	(31 294)	(31 294)
30	60270	TRAINING REFUND	(2 036)	(27 594)	(27 594)	(27 702)	(29 364)	(31 214)	(31 214)
30	65001	MEMBERSHIP CARDS	(2 800 000)	(2 894 000)	(2 894 000)	(2 929 000)	(3 045 000)	(3 206 000)	(3 206 000)
30	65100	LIBRARY SUBSIDY	(256 586)	(510 000)	(510 000)	(537 000)	(565 000)	(593 373)	(593 373)
30	65106	RECAPITALISATION OF LIBRARIES	(3 228 875)	(3 801 935)	(3 801 935)	(4 038 220)	(4 215 585)	(4 442 736)	(4 442 736)
30	200000	SALARIES	4 052 206	4 597 125	4 417 125	4 747 669	5 089 501	5 440 677	5 440 677
30	200010	LEAVE BONUS SALARIED STAFF	315 243	352 604	352 604	365 982	392 333	419 404	419 404
30	200020	ACCUMULATED LEAVE PAY	94 475	293 344	293 344	324 825	348 212	372 239	372 239
30	200060	OVERTIME	454 525	460 754	555 754	280 282	300 462	321 194	321 194
30	200080	GROUP LIFE ASSURANCE CONTRIB.	14 991	38 366	38 366	35 610	38 174	40 808	40 808
30	200090	HOUSING SUBSIDY	19 206	20 797	30 797	26 712	28 635	30 611	30 611
30	200110	MEDICAL AID : N M M A F	262 196	273 760	313 760	404 051	433 143	463 030	463 030
30	200130	UNIFORM	863 379	1 394 764	1 178 764	1 085 213	1 163 348	1 243 619	1 243 619
30	200140	PENSION: SUPERANNUATION	2 353	2 760	2 743	2 951	3 163	3 382	3 382
30	200180	TRAVELLING ALLOWANCES	99 841	105 932	125 932	105 932	113 559	121 385	121 385
30	200190	TELEPHONE ALLOWANCE	7 010	9 540	9 540	9 540	10 227	10 933	10 933
30	200200	UNEMPLOYMENT FUND CONTRIBUTION	44 240	44 851	44 851	42 781	45 861	49 026	49 026
30	200230	WORKMEN'S COMPENSATION	50 383	55 401	55 401	55 617	59 621	63 735	63 735
30	200240	SKILLS LEVY	6 320 515	7 705 187	7 489 187	7 542 570	8 085 635	8 643 544	8 643 544

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Dept	Item	Item Name	Audited	Approved	Ad/justed	Approved	Indicative	Indicative
			2014/2015	2015/16	2015/16	2016/17	2017/18	2018/19
30	260070	LEASE-OFFICE MACHINES & EQUIP.	61 770	83 000	78 000	80 644	85 644	90 697
30	260100	PRINTING AND STATIONERY	112 637	101 300	116 300	120 243	127 688	135 232
30	260110	BOOK PURCHASES	17 156	22 843	20 843	21 550	22 886	24 236
30	260160	CONFERENCE & WORKSHOPS	20 329	30 000	32 000	33 085	35 136	37 209
30	260200	CLEANING MATERIALS	48 823	57 860	60 860	62 923	66 824	70 767
30	260240	FAX & COPIER RENTAL	3 110	3 110	3 110	3 215	3 415	3 616
30	260330	REFRESHMENTS	19 504	21 200	16 000	16 542	17 568	18 605
30	260370	INSURANCE GENERAL	4 221	6 332	6 332	6 950	7 381	7 816
30	260380	LITERATURE & PUBLICATIONS	8 336	11 660	11 660	12 055	12 803	13 558
30	260740	WATER AND SANITATION	31 017	58 547	41 735	44 990	47 780	50 599
30	260750	RODENT,INSECT & PEST CONTROL	8 000	35 000	30 000	31 017	32 940	34 884
30	260770	RADIO LICENCES TV	486	3 698	3 698	3 824	4 061	4 300
30	260810	SUNDRY OILS AND FUELS	27 906	35 494	35 494	36 697	38 973	41 272
30	260880	TRAINING COSTS OF STAFF	25 594	30 000	30 000	31 017	32 940	34 884
30	260900	TRAVELLING & SUBSISTANCE	593	7 680	7 680	7 940	8 432	8 930
30	260920	TELEPHONE CALLS/RENTALS	-	-	-	-	-	-
30	260970	ELECTRICITY AND RATES	264 824	457 888	357 888	370 021	392 562	416 147
30	261100	PROTECTIVE CLOTHING	14 139	19 080	22 280	23 035	24 463	25 907
30	261120	INSTITUTE & MEMBERSHIP FEES	-	5 000	5 000	5 170	5 490	5 814
30	261530	TRACKING FEES	-	4 206	4 111	4 250	4 514	4 780
30	261785	LIBRARY SIGNAGE	-	3 180	3 180	3 288	3 482	3 698
30	261823	LOST ITEMS/ STOCKTAKING PAYMENT TO KZN DAC	39 947	75 000	75 000	77 543	82 350	87 209
30	270001	DEPRECIATION	792 630	850 620	966 229	1 016 229	1 067 040	1 123 593
30		CAPITAL CHARGES	782 630	850 620	966 229	1 016 229	1 067 040	1 123 593
31	55010	MUSEUM SUBSIDY	(161 000)	(166 000)	(166 000)	(175 000)	(184 000)	(193 000)
31	60270	TRAINING REFUND	(161 000)	(166 583)	(168 583)	(177 888)	(187 062)	(196 255)
31	200000	SALARIES	312 221	316 080	481 080	513 674	550 659	588 654
31	200010	LEAVE BONUS SALARIED STAFF	10 308	17 374	17 374	42 456	45 513	48 653
31	200020	ACCUMULATED LEAVE PAY	11 796	12 043	12 043	22 188	23 786	25 427
31	200060	OVERTIME	-	-	-	14 681	15 738	16 824
31	200080	GROUP LIFE ASSURANCE CONTRIB.	891	3 434	3 434	3 617	3 877	4 145
31	200110	MEDICAL AID : N M M A F	17 950	19 398	69 398	96 265	103 196	110 317
31	200140	PENSION: SUPERANNUATION	22 311	87 082	87 082	91 731	96 336	105 121
31	200160	INDUSTRIAL COUNCIL LEVIES	217	356	356	305	327	350
31	200200	UNEMPLOYMENT FUND CONTRIBUTION	3 202	5 165	5 165	4 665	5 001	5 346
31	200230	WORKMENS COMPENSATION	3 439	5 165	5 165	5 777	6 193	6 620
31	200240	SKILLS LEVY	385 339	471 282	687 262	801 136	858 618	918 076
31		Repairs & Maintenance	-	-	-	-	-	-
31	235010	BUILDING & FENCES-ADD JOB NO.	17 600	38 917	38 917	40 863	43 397	45 957
31	235040	FIRE EXTINGUISHERS & HYDRANTS#	-	-	-	-	-	-
31	2350							

**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited	Outcome	Budget	Adjusted	Budget	Approved	Indicative	Indicative
31	260100	PRINTING AND STATIONERY	2 240	7 420	7 420	7 420	7 672	8 147	2017/18	2018/19
31	260110	BOOK PURCHASES	-	-	-	-	-	-	-	-
31	260200	CLEANSING MATERIALS	4 019	7 402	7 402	7 402	8 127	873	8 607	924
31	260330	REFRESHMENTS	-	-	-	-	-	-	-	-
31	260570	INSURANCE GENERAL	2 329	3 493	3 493	2 671	2 762	2 933	4 312	3 106
31	260740	WATER AND SANITATION	-	-	-	-	-	-	-	-
31	260750	RODENT, INSECT & PEST CONTROL	11 659	13 038	13 038	7 298	7 867	8 356	8 647	4 053
31	260880	TRAINING COSTS OF STAFF	2 285	4 486	4 486	3 486	3 604	3 828	-	-
31	260920	TELEPHONE CALLS/RENTALS	10 394	-	-	-	-	-	-	-
31	260970	ELECTRICITY AND RATES	2 616	13 818	13 818	13 818	14 286	15 172	16 067	-
31	261100	PROTECTIVE CLOTHING	-	-	-	-	-	-	-	-
31	261120	INSTITUTE & MEMBERSHIP FEES	-	4 082	4 082	4 082	4 220	4 482	4 746	1 304
31	261663	MUSEUM ARTIFACTS	-	1 121	1 121	1 121	1 159	1 231	-	-
31	261722	SUBSCRIPTIONS - DSTV	-	-	-	-	-	-	-	-
31	261722	SUBSCRIPTIONS - DSTV	38 488	58 326	58 326	51 586	53 879	57 219	60 595	-
31	270001	DEPRECIATION	-	-	-	-	-	-	-	-
31	270001	DEPRECIATION	9 152	52 808	52 808	20 888	70 888	74 432	78 377	78 377
31	270001	DEPRECIATION	300 298	463 032	463 032	640 371	799 684	858 291	918 916	-
32	200000	SALARIES	2 834 883	2 963 172	3 118 172	3 696 381	3 962 520	4 235 934	4 235 934	-
32	200010	LEAVE BONUS SALARIED STAFF	258 562	245 154	245 154	314 767	337 430	360 713	150 599	-
32	200060	OVERTIME	85 487	79 669	79 669	149 659	131 416	140 878	79 856	-
32	200090	HOUSING SUBSIDY	11 623	15 346	15 346	69 884	74 701	79 856	150 599	-
32	200110	MEDICAL AID : N M M A F	4 800	5 088	5 088	2 544	2 272	2 915	2 915	-
32	200140	PENSION: SUPERANNUATION	219 408	249 477	249 477	309 414	331 892	354 579	354 579	-
32	200160	INDUSTRIAL COUNCIL LEVIES	522 627	791 747	556 747	773 109	828 773	885 958	885 958	-
32	200180	TRAVELLING ALLOWANCES	881	1 067	1 067	1 423	1 525	1 631	1 631	-
32	200190	TELEPHONE ALLOWANCE	126 532	217 260	217 260	126 681	135 802	146 172	146 172	-
32	200200	UNEMPLOYMENT FUND CONTRIBUTION	27 830	33 298	33 298	38 131	40 876	43 697	43 697	-
32	200230	WORKMENS COMPENSATION	18 214	21 007	21 007	25 383	27 211	29 088	29 088	-
32	200240	SKILLS LEVY	34 154	35 124	35 124	41 906	44 923	48 023	48 023	-
32	200240	SKILLS LEVY	4 231 506	4 769 808	4 769 808	5 592 332	5 994 980	6 408 634	6 408 634	-
32	235636	MAINTENANCE OF INFORMAL TRADERS STALLS	12 852	11 109	11 109	11 664	12 388	13 119	55 332	-
32	235636	MAINTENANCE OF INFORMAL TRADERS STALLS	7 879	33 856	46 656	49 199	52 249	55 332	108 617	-
32	235636	MAINTENANCE OF INFORMAL TRADERS STALLS	20 730	87 285	90 285	94 798	100 677	108 617	108 617	-
32	260100	PRINTING AND STATIONERY	18 109	55 000	55 000	58 056	59 531	63 044	63 044	-
32	260160	CONFERENCE & WORKSHOPS	5 011	9 900	6 900	7 032	7 468	7 909	7 909	-
32	260200	CLEANSING MATERIALS	4 494	7 406	7 406	7 548	8 016	8 499	8 499	-
32	260330	REFRESHMENTS	8 903	8 550	8 550	5 657	6 007	6 362	6 362	-
32	260570	INSURANCE GENERAL	3 140	4 710	4 710	5 169	5 490	5 814	5 814	-
32	260730	PUBLICITY	360 575	306 075	276 075	281 376	298 821	316 451	316 451	-
32	260880	TRAINING COSTS OF STAFF	65 863	81 889	81 889	83 461	88 636	93 866	93 866	-
32	260900	TRAVELLING & SUBSISTANCE	21 163	22 430	22 430	22 860	24 278	25 710	25 710	-
32	260915	ELECTION SUPPORT COSTS	41 710	30 394	30 394	30 978	32 899	34 840	34 840	-
32	260920	TELEPHONE CALLS/RENTALS	-	150 000	150 000	152 880	162 359	171 938	171 938	-
32	260970	ELECTRICITY AND RATES	82 045	119 442	119 442	121 736	129 283	136 911	136 911	-
32	260982	ECONOMIC DEVELOPMENT & GROWTH	131 991	150 000	120 000	122 304	129 887	137 550	137 550	-
32	260983	INFORMAL TRADE & BUSINESS SUPPORT	12 811	40 000	175 000	178 360	189 418	200 594	200 594	-
32	260984	TOURISM & HERITAGE	245 387	150 000	150 000	152 880	162 359	171 938	171 938	-
32	260985	COMMUNITY AGRICULTURE DEVELOPMENT	273 697	150 000	150 000	152 880	162 359	171 938	171 938	-
32	261100	PROTECTIVE CLOTHING	4 417	7 350	7 350	7 491	7 956	8 425	8 425	-

**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited Outcome	Budget	Adjusted	Budget	Approved	Indicative	Indicative
32	261530	TRACKING FEES	2 548	1 402	1 370	1 416	1 504	1 593	2018/19
32	261692	M/R. PRICE PRO EXPENDITURE	4 126 141	2 000 000	4 868 702	2 940 000	3 122 280	3 306 495	2017/18
32	261724	INF. TRADE CO-OPERATIVE DEVELOPMENT	19 000	78 750	78 750	80 262	85 238	90 267	2018/19
32	261725	HYDROPHONICS ORGANIC FARMING	109 517	150 000	150 000	155 085	164 700	174 418	
32	261726	LIVESTOCK FARMING	-	-	-	-	-	-	
32	261754	BURSARY FUND - EXTERNAL	321 000	-	-	-	-	-	
32	261803	TOURISM EVENT SUPPORT	800 000	200 000	400 000	196 000	208 152	220 433	
32	261817	SECO	500 000	300 000	300 000	294 000	312 228	330 649	
32	261824	KDM SMALL BUSINESS WEEK	155 411	150 000	150 000	147 000	156 114	166 325	
32	261825	SMME DEVELOPMENT	41 282	106 000	50 000	102 900	109 280	115 727	
32	261826	LED START UP PROJECT	-	250 000	305 000	310 856	330 129	349 607	

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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	2014/2015	2015/16	2016/17	2017/18	2018/19
35	236090	PLANT & EQUIPMENT - ADD NUMBER	5 000	5 000	5 250	5 576	5 904
35	236210	TOOLS AND EQUIPMENT	500	79 350	83 318	558	590
35	236230	VEHICLES AND PLANT	55 842	500	525	558	590
35	236330	KITCHEN WARE	2 500	2 500	2 625	2 788	2 952
35	236330	KITCHEN WARE	344 784	290 524	140 524	147 550	165 944
General Expenses							
35	250001	CONSULTANTS/OUTSOURCE	-	-	-	-	-
35	260070	LEASE-OFFICE MACHINES & EQUIP.	16 875	-	-	-	-
35	260100	PRINTING AND STATIONERY	79 459	125 516	211 516	218 687	245 948
35	260110	BOOK PURCHASES	418	2 000	2 068	2 196	2 326
35	260140	BATTERIES	5 290	5 290	5 469	5 808	6 151
35	260190	SOFTWARE SUPPORT/LICENCES	32 409	65 000	65 000	67 204	71 370
35	260200	CLEANISING MATERIALS	21 346	26 450	26 450	27 347	29 042
35	260330	REFRESHMENTS	3 060	9 000	5 000	5 170	5 814
35	260520	FIRST AID EQUIPMENT	2 645	2 645	2 735	2 904	3 076
35	260570	INSURANCE GENERAL	1 369	2 054	2 254	2 394	2 535
35	260740	WATER AND SANITATION	440	21 254	17 273	18 620	19 774
35	260810	SUNDRY OILS AND FUELS	64 360	109 556	109 556	113 270	120 293
35	260880	TRAINING COSTS OF STAFF	55 290	75 290	77 842	82 669	87 546
35	260900	TRAVELLING & SUBSISTANCE	240	59 000	59 000	61 000	64 782
35	260920	TELEPHONE CALLS/RENTALS	-	-	-	-	-
35	260970	ELECTRICITY AND RATES	12 119	19 568	20 231	21 456	22 753
35	261100	PROTECTIVE CLOTHING	119	10 580	10 939	11 617	12 302
35	261370	PROCESSING OF FINES	15 876	77 900	80 541	85 534	90 581
35	261530	TRACKING FEES	7 647	12 618	12 331	12 749	14 336
35	270001	EXPENSE DEPRECIATION	6 598	13 144	8 473	58 473	61 396
35	270001	EXPENSE DEPRECIATION	6 598	13 144	8 473	58 473	61 396
35	271000	INTEREST ON EXTERNAL LOANS	19 072	12 630	12 630	5 607	-
35	271000	INTEREST ON EXTERNAL LOANS	19 072	12 630	12 630	5 607	-
Capital Charges							
40	60270	TRAINING REFUND	-	(1 348)	(1 442)	(1 529)	(1 625)
40	60270	TRAINING REFUND	-	(1 348)	(1 442)	(1 529)	(1 625)
Income							
Security Services							
40	200000	SALARIES	199 049	216 927	221 927	232 089	248 799
40	200010	LEAVE BONUS SALARIED STAFF	16 654	18 077	18 077	19 341	20 734
40	200020	ACCUMULATED LEAVE PAY	5 596	32 973	32 973	35 278	37 818
40	200060	OVERTIME	12 389	11 427	16 427	7 935	8 506
40	200080	GROUP LIFE ASSURANCE CONTRIB.	1 540	1 540	1 540	1 648	1 767
40	200140	PENSION: SUPERANNUATION	19 485	39 058	26 058	41 788	44 797
40	200160	INDUSTRIAL COUNCIL LEVIES	163	178	204	218	234
40	200200	UNEMPLOYMENT FUND CONTRIBUTION	2 239	2 695	3 695	2 894	3 092
40	200230	WORKMENS COMPENSATION	2 118	2 695	2 695	2 884	3 092
40	200240	SKILLS LEVY	2 237	2 695	4 695	2 884	3 092
40	200240	SKILLS LEVY	259 830	328 265	328 265	346 935	397 576
Repairs and Maintenance							
40	235010	BUILDING & FENCES-ADD JOB NO.	42 900	15 000	15 750	16 727	17 713
40	235050	FURNITURE-OFFICE MACH & EQUIP.	1 058	1 058	1 111	1 180	1 249
40	235210	TOOLS AND EQUIPMENT	1 058	1 058	1 111	1 180	1 249
40	235210	TOOLS AND EQUIPMENT	45 016	17 116	17 972	19 086	20 212
General Expenses							
40	250001	CONSULTANTS/OUTSOURCE	-	-	-	-	-
40	260280	SECURITY SERVICES	5 885 039	6 300 000	6 265 000	6 477 384	7 284 841
40	261100	PROTECTIVE CLOTHING	-	10 580	10 580	10 939	12 302
40	261410	RADIO LICENCES	5 885 039	6 312 696	6 277 696	6 490 510	7 299 604
40	261410	RADIO LICENCES	5 885 039	6 312 696	6 277 696	6 490 510	7 299 604
Depreciation							
			-	-	-	-	-

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

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Dept	Item	Item Name	Audited	Budget	Adjusted	Approved	Indicative	Indicative
41	10200	POST & TEL RECOVERED						
41	20090	PARKING DISC-DAILY	(62 800)	(101 124)	(101 124)	(106 686)	(113 087)	(120 211)
41	20091	PARKING DISC-WEEKLY	(150)	(500)	(500)	(528)	(559)	(594)
41	20082	PARKING DISC-ANNUALY	(9 000)	(15 900)	(15 900)	(16 775)	(17 781)	(18 907)
41	20140	RENT	(2 838 549)	(5 269 493)	(5 269 493)	(6 500 000)	(6 890 000)	(7 324 070)
41	40010	FINES AND PENALTIES	(18 221 245)	(26 000 000)	(26 000 000)	(27 430 000)	(29 075 800)	(30 907 575)
41	40011	FINES REVENUE NOT YET COLLECTE	(17 750)	(11 236)	(11 236)	(11 854)	(12 665)	(13 357)
41	41038	PERMITS-BUS AND TAXI RANK	(10 564)	(78 652)	(78 652)	(82 978)	(87 957)	(93 498)
41	60270	TRAINING REFUND	(21 160 057)	(31 614 189)	(31 614 189)	(34 289 784)	(36 347 171)	(38 637 042)
41	200000	SALARIES						
41	200010	LEAVE BONUS SALARIED STAFF	17 000 829	19 790 854	21 190 854	22 473 772	24 091 884	25 754 224
41	200020	ACCUMULATED LEAVE PAY	1 402 119	1 321 347	1 321 347	1 649 407	1 768 164	1 890 168
41	200060	OVERTIME	429 123	721 242	721 242	855 334	916 916	980 185
41	200070	STANDBY ALLOWANCES	7 048 738	7 188 004	9 228 004	5 593 672	5 996 416	6 410 169
41	200080	GROUP LIFE ASSURANCE CONTRIB.	1 146 611	408 471	1 698 471	439 433	471 072	503 576
41	200090	HOUSING SUBSIDY	1 19 389	178 090	178 090	161 688	173 330	185 289
41	200110	MEDICAL AID : N M M A F	80 696	94 064	115 064	104 304	111 814	119 529
41	200130	UNIFORM ALLOWANCE	1 876 258	2 039 728	2 084 728	2 766 066	2 965 223	3 169 823
41	200140	PENSION: SUPERANNUATION	3 436 215	5 526 427	4 126 427	4 634 141	4 967 799	5 310 577
41	200160	INDUSTRIAL COUNCIL LEVIES	8 278	11 130	11 130	13 127	14 072	15 043
41	200180	TRAVELLING ALLOWANCES	1 935 325	2 168 974	2 168 974	2 932 685	3 143 838	3 360 763
41	200190	TELEPHONE ALLOWANCE	74 196	127 709	93 709	124 402	133 359	142 561
41	200200	UNEMPLOYMENT FUND CONTRIBUTION	175 947	228 776	192 776	227 808	244 210	261 061
41	200230	WORKMENS COMPENSATION	227 329	278 687	278 687	287 794	308 515	329 803
41	200240	SKILLS LEVY	295 868	274 569	409 569	281 929	302 228	323 082
41	235250	CONTRIBUTION TO PROVISION FINE	13 275 917	24 000 000	24 000 000	24 000 000	24 000 000	24 000 000
41	235252	CONTRIBUTION TO PROVISION FINE	13 275 917	24 000 000	24 000 000	24 000 000	24 000 000	24 000 000
41	235010	BUILDING & FENCES-ADD JOB NO.	27 722	158 190	162 190	170 300	180 858	191 529
41	235050	FURNITURE-OFFICE MACH & EQUIP	275	3 174	3 174	3 333	3 539	3 748
41	235060	GENERAL EQUIPMENT & SIGNS #	85 964	95 220	95 220	99 981	106 180	112 444
41	235110	RADIO REPAIRS	1 003	26 450	26 450	136 500	144 963	153 516
41	235230	VEHICLES AND PLANT	837 246	900 000	1 004 700	1 056 225	1 123 835	1 190 141
41	235320	ROAD MARKING	371 520	480 000	435 000	456 750	485 069	513 668
41	235330	KITCHEN WARE	750	1 058	1 058	1 111	1 180	1 249
41	235640	CCTV MAINTENANCE & REPAIRS	17 802	63 480	43 480	45 654	48 485	51 345
41	250001	CONSULTANTS/OUTSOURCE						
41	260070	LEASE-OFFICE MACHINES & EQUIP.	18 029	28 000	28 000	28 949	30 744	32 558
41	260100	PRINTING AND STATIONERY	54 392	63 000	63 000	66 153	69 114	72 139
41	260110	BOOK PURCHASES	10 253	30 000	30 000	31 017	32 940	34 884
41	260140	BATTERIES	6 375	24 334	19 334	19 989	21 229	22 481
41	260160	CONFERENCE & WORKSHOPS	275 591	50 000	20 000	20 678	21 960	23 256
41	260180	BURSARIES-STAFF	1 200	12 611	19 160	19 810	21 038	22 279
41	260270	COMMUNITY POLICE	100 876	150 000	140 000	144 746	153 720	162 790
41	260330	REFRESHMENTS	23 189	27 000	22 000	22 746	24 156	25 581
41	260520	FIRST AID EQUIPMENT	3 705	5 290	5 290	5 469	5 808	6 151
41	260570	INSURANCE GENERAL	133 434	200 151	200 151	219 686	233 306	247 071
41	260740	WATER AND SANITATION	13 946	26 568	19 430	20 946	22 245	23 557
41	260810	SUNDRY OILS AND FUELS	882 804	995 600	995 600	1 029 351	1 083 171	1 157 668
41	260840	SMALL TOOLS & WORKSHOP MATERIA	7 194	9 522	9 522	9 945	10 455	11 072
41	260860	SUNDRIES/RENTAL						
41	260880	TRAINING COSTS OF STAFF	271 475	314 400	434 400	449 126	476 972	505 113
41	260900	TRAVELING & SUBSISTANCE	17 784	252 000	317 000	327 746	348 067	368 602
41	260920	TELEPHONE CALLS/RENTALS						
41	260950	HIRE OF PLANT & EQUIPMENT						
41	260970	ELECTRICITY AND RATES	47 074	71 919	71 919	74 357	78 967	83 626
41	260990	PHOTOGRAPHIC MATERIAL						
41	261000	2014/2015	6 144 969	6 684 629	6 621 728	6 853 875	7 282 393	7 715 766
41	2018/19	Indicative						

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**KWADUKUZA MUNICIPALITY - FINAL
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Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative	Indicative
42	260070	LEASE OF OFFICE MACHINERY	41 411	82 000	52 000	53 763	57 096	60 465	60 465
42	260100	PRINTING AND STATIONERY	37 956	42 400	83 400	86 227	91 573	96 976	96 976
42	260110	BOOK PURCHASES	17 700	24 000	19 000	19 644	19 644	22 093	22 093
42	260140	BATTERIES	6 223	7 406	7 406	7 657	8 132	8 612	8 612
42	260160	CONFERENCE & WORKSHOPS	36 580	36 000	10 000	10 339	10 980	11 628	11 628
42	260200	CLEANING MATERIALS	63 642	68 770	63 770	65 932	70 020	74 151	74 151
42	260240	FAX AND COPIER RENTAL	5 618	5 618	5 618	5 808	6 169	6 532	6 532
42	260330	REFRESHMENTS	24 176	31 500	21 500	22 229	23 607	25 000	25 000
42	260400	LAUNDRY		3 174	3 174	3 282	3 485	3 691	3 691
42	260430	EMERGENCY SUPPLIES		17 986	17 986	18 596	19 749	20 914	20 914
42	260490	TEST & HIRE OF CYLINDERS	60 702	47 610	47 610	49 224	52 276	55 360	55 360
42	260500	CYLINDER REFILL		21 160	21 160	21 877	23 234	24 605	24 605
42	260520	FIRST AID EQUIPMENT	46 831	63 480	53 480	55 293	58 721	62 186	62 186
42	260570	INSURANCE GENERAL	85 396	128 094	128 094	140 596	149 313	158 122	158 122
42	260740	WATER AND SANITATION	30 763	65 190	32 944	35 514	37 716	39 941	39 941
42	260810	SUNDRY OILS AND FUELS	594 365	645 592	645 592	667 477	708 861	750 664	750 664
42	260840	SMALL TOOLS & WORKSHOP MATERIAL	7 589	8 989	8 989	9 293	9 870	10 452	10 452
42	260880	TRAINING COSTS OF STAFF	259 588	275 080	55 080	56 947	60 478	64 046	64 046
42	260900	TRAVELLING & SUBSISTANCE	129 554	175 500	65 500	67 720	71 919	76 162	76 162
42	260920	TELEPHONE CALLS/RENTALS							
42	260930	TRANSPORT & PLANT							
42	260950	HIRE OF PLANT & EQUIPMENT	5 946	5 946	5 946	6 148	6 529	6 914	6 914
42	260970	ELECTRICITY AND RATES	102 862	124 274	124 274	128 487	136 454	144 504	144 504
42	261060	EXCESS ON INSURANCE		4 232	4 232	4 375	4 647	4 921	4 921
42	261100	PROTECTIVE CLOTHING		59 697	29 697	30 703	32 607	34 531	34 531
42	261317	SCHOOL FIRE SAFETY AWARENESS PROGRAM	690 485	800 000	680 000	703 052	746 641	790 693	790 693
42	261318	EMERGENCY NO. AWARENESS PROGRAM	6 900	15 000	15 000	15 509	16 470	17 442	17 442
42	261319	FIRE SAFETY AWARENESS PROGRAM	2 100	15 000	15 000	15 509	16 470	17 442	17 442
42	261530	TACKLING FEES	2 482	15 000	15 000	15 509	16 470	17 442	17 442
42	261650	FIRST AID TRAUMA BAGS & BOXES	17 843	15 422	15 072	15 583	16 549	17 525	17 525
42	261672	BEDDING/LINEN	17 700	25 392	25 392	26 253	27 880	29 525	29 525
42	261689	FIRE FIGHTING FOAM	28 967	10 580	10 580	10 939	11 617	12 302	12 302
42	261690	STANDBY MEALS	31 250	35 000	35 000	36 187	38 430	40 697	40 697
42	261900	DEPRECIATION	2 360 455	2 966 831	2 409 235	2 500 521	2 655 553	2 812 231	2 812 231
42	270001	DEPRECIATION	917 872	1 454 030	944 787	994 787	1 044 526	1 099 886	1 099 886
42	271000	INTEREST ON EXTERNAL LOANS	38 482	-	-	-	-	-	-
42	271000	RECHARGES	38 482	-	-	-	-	-	-
44	235050	FURNITURE-OFFICE MACH & EQUIP.							
44	235110	RADIO REPAIRS							
44	235230	VEHICLES AND PLANT	21 521	15 870	32 370	33 989	36 096	38 225	38 225
44	260100	PRINTING AND STATIONERY							
44	260160	CONFERENCE & WORKSHOPS	20 310	18 000	18 000	18 610	19 764	20 930	20 930
44	260380	INDIGENT SUPPORT	11 680	935 000	1 490 000	1 571 950	1 669 411	1 767 906	1 767 906
44	261673	DISASTER MANAGEMENT PLAN	9 485	-	425 000	18 606	19 760	20 925	20 925
44	273204	DEPRECIATION	732 204	977 696	1 962 696	1 621 263	1 721 781	1 823 366	1 823 366
44	270001	DEPRECIATION	11 094	11 647	16 600	66 600	69 930	73 636	73 636
44	270001	DEPRECIATION	11 094	11 647	16 600	66 600	69 930	73 636	73 636

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

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Dept	Item	Item Name	Audited 2014/2015 Outcome	Approved 2015/16 Budget	Adjusted 2015/16 Budget	Approved 2016/17 Budget	Indicative 2017/18 Indicative	Indicative 2018/19
			4 068	70 213	576 666	149 901	161 540	163 986
		Marine Safety						
		Income						
45	45060	PERMITS BEACH	(45 389)	(47 610)	(31 918)	(31 918)	(34 488)	(36 661)
45	60270	TRAINING REFUND			(79 528)	(82 785)	(87 730)	(93 257)
		Salaries and Allowances						
45	200000	SALARIES	5 266 014	5 456 846	5 156 846	5 796 117	6 213 437	6 642 165
45	200010	LEAVE BONUS SALARIED STAFF	92 664	355 726	355 726	416 383	446 363	477 162
45	200020	ACCUMULATED LEAVE PAY	79 459	191 959	191 959	243 176	260 685	278 672
45	200060	OVERTIME	3 504 346	3 621 521	3 121 521	1 944 565	2 084 574	2 228 409
45	200080	GROUP LIFE ASSURANCE CONTRIB.	4 489	43 636	43 636	37 316	40 003	42 763
45	200090	HOUSING SUBSIDY	8 382	9 476	14 476	11 448	12 272	13 119
45	200110	MEDICAL AID : N M M A F	126 004	148 213	488 213	722 521	774 543	827 986
45	200140	PENSION: SUPERANNUATION	362 841	1 188 917	938 917	1 114 109	1 194 325	1 276 733
45	200160	INDUSTRIAL COUNCIL LEVIES	3 092	4 185	4 185	4 783	5 127	5 481
45	200180	TRAVELLING ALLOWANCES			50 000	-	-	-
45	200190	TELEPHONE ALLOWANCE	5 557	8 141	8 141	15 264	16 363	17 492
45	200200	UNEMPLOYMENT FUND CONTRIBUTION	76 660	54 371	79 371	59 845	64 154	68 580
45	200230	WORKMEN'S COMPENSATION	55 443	63 837	63 837	65 071	69 756	74 569
45	200240	SKILLS LEVY	89 295	63 838	93 838	65 071	69 756	74 569
		Repairs and Maintenance						
45	235010	BUILDING & FENCES-ADJ.OBJ NO.	46 058	40 000	20 000	21 000	22 302	23 618
45	235060	GENERAL EQUIPMENT & SIGNS #	172 157	150 000	180 000	189 000	200 718	212 560
45	235090	PLANT & EQUIPMENT - ADD NUMBER	10 397	2 645	-	-	-	-
45	236110	RADIO REPAIRS	16 948	21 160	12 696	11 231	11 927	12 631
45	236210	TOOLS AND EQUIPMENT	16 948	21 160	12 696	11 231	11 927	12 631
45	236230	VEHICLES AND PLANT	146 134	150 000	200 000	216 170	228 611	241 983
45	236260	PUBLIC TOILETS	1 975	42 000	32 000	33 600	35 683	37 789
		General Expenses						
45	260100	PRINTING AND STATIONERY	1 606	4 000	4 000	4 136	4 392	4 651
45	260330	REFRESHMENTS	5 758	12 600	12 600	13 027	13 835	14 651
45	260430	EMERGENCY SUPPLIES	37 389	35 000	66 000	67 204	71 370	75 581
45	260490	TEST & HIRE OF CYLINDERS	1 770	7 406	16 160	16 708	17 744	18 791
45	260500	CYLINDER REFILL	1 770	7 406	16 160	16 708	17 744	18 791
45	260570	INSURANCE GENERAL	17 829	26 743	26 743	29 353	31 173	33 012
45	260730	PUBLICITY		65 000	65 000	-	-	-
45	260810	SUNDRY OILS AND FUELS	178 615	207 580	207 580	214 617	227 923	241 370
45	260835	SHARK CONTROL EXPENDITURE	3 138 213	3 450 000	3 386 000	3 499 752	3 716 736	3 936 024
45	261100	PROTECTIVE CLOTHING	273 923	306 820	306 820	317 221	336 889	356 765
45	261530	TRACKING FEES	3 655 102	4 082 525	4 132 524	4 207 117	4 467 958	4 731 568
		Depreciation						
45	270001	DEPRECIATION	43 978	378 694	233 119	283 119	298 690	314 521
		Testing						
46	10200	POST & TEL RECOVERED Income						
46	45110	FEES TESTING	(4 749 263)	(6 148 000)	(6 148 000)	(6 486 140)	(6 875 308)	(7 308 453)
46	60270	TRAINING REFUND			(25 504)	(25 967)	(27 525)	(29 259)
		Salaries And Wages						
46	200000	SALARIES	3 139 333	3 826 984	3 426 984	4 271 307	4 578 841	4 894 781
46	200010	LEAVE BONUS SALARIED STAFF	247 665	290 506	290 506	320 150	343 201	366 882
46	200020	ACCUMULATED LEAVE PAY	95 421	221 348	221 348	208 311	223 309	238 718
46	200060	OVERTIME	424 318	426 579	476 579	368 336	394 856	422 101
46	200080	GROUP LIFE ASSURANCE CONTRIB.	26 654	38 075	27 575	39 064	41 877	44 766
46	200090	HOUSING SUBSIDY	19 974	28 429	33 429	43 248	46 362	49 561
46	200110	MEDICAL AID : N M M A F	263 603	283 834	248 834	453 328	485 968	519 499
46	200140	PENSION: SUPERANNUATION	581 783	1 122 583	814 083	939 006	1 006 614	1 076 071

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Dept	Item	Item Name	Audited 2014/2015 Outcome	Approved 2015/16 Budget	Adjusted 2016/17 Budget	Approved 2016/17 Budget	Indicative 2017/18	Indicative 2018/19
56	250001	General Expenses						
56	250001	CONSULTANTS/OUTSOURCE						
56	260070	LEASE-OFFICE MACHINES & EQUIP.		200 000	700 000	900 000	955 800	1 012 192
56	260200	CLEANING MATERIALS	12 206	15 870	-	-	-	-
56	260380	INDIGENT SUPPORT						
56	260390	GRAVE DIGGING	162 615	914 351	414 351	437 140	464 243	491 633
56	260740	WATER AND SANITATION	59 874	89 718	89 718	92 760	98 511	104 323
56	260810	SUNDRY OILS AND FUELS	117 086	98 400	70 456	75 951	80 660	85 419
56	260880	TRAINING COSTS OF STAFF	106 708	182 822	182 822	189 020	200 738	212 583
56	260920	TELEPHONE CALLS/RENTALS	15 377	21 160	21 160	21 877	23 234	24 605
56	260970	ELECTRICITY AND RATES	6 879	11 893	11 893	12 296	13 059	13 829
56	261100	PROTECTIVE CLOTHING						
56	261160	CREMATORIUM DIESEL	47 866	56 074	56 074	57 975	61 569	65 202
56	261290	PAUPER BURIALS	458 352	550 000	510 000	527 289	559 981	593 020
56	261530	TRACKING FEES	59 338	111 090	111 090	114 856	121 977	129 174
56	261560	CEMETERY & CREMATORIUM PLAN	2 549	2 804	2 740	2 833	3 009	3 186
56	261804	MACROBURN CREMATOR CASING						
56			1 048 849	2 254 183	2 186 175	2 448 406	2 600 207	2 753 620
56		DEPRECIATION						
56	270001	DEPRECIATION	177 241	396 732	561 622	611 622	642 203	676 240
56		Capital Charges						
56	271000	INTEREST ON EXTERNAL LOANS	27 474	20 139	20 139	11 797	2 475	-
56			27 474	20 139	20 139	11 797	2 475	-
			2 443 618	3 854 589	4 422 471	4 970 832	5 292 097	5 623 457
		Kweru Clinic						
		Income						
		Salaries And Allowances						
		Repairs And Maintenance						
		General Expenses						
		Depreciation						
		Baito Clinic						
		Income						
		Salaries And Allowances						
		Repairs And Maintenance						
		General Expenses						
		Depreciation						
		Shoketsu Clinic						
		Income						
		Shoketsu Clinic						

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Dept	Item	Item Name	Audited	Outcome	Approved	Adjusted	Budget	Approved	Indicative
65	235050	FURNITURE-OFFICE MACH.& EQUIP.	3 817	7 406	529	529	555	590	Indicative
65	235210	TOOLS AND EQUIPMENT	3 817	7 406	529	529	555	590	Indicative
65	260700	LEASE-OFFICE MACHINES & EQUIP.	50 319	109 000	109 000	109 000	112 695	119 682	Indicative
65	260100	PRINTING AND STATIONERY	39 360	42 400	57 400	57 400	59 346	63 025	Indicative
65	260160	CONFERENCE & WORKSHOPS	3 740	22 500	15 500	15 500	16 025	17 019	Indicative
65	260200	CLEANING MATERIALS	2 855	6 348	6 348	6 348	6 563	6 970	Indicative
65	260240	FAX & COPIER RENTAL		18 875	8 875	8 875	9 176	9 744	Indicative
65	260310	MARKETING							Indicative
65	260330	REFRESHMENTS	21 955	31 500	26 500	26 500	27 398	29 097	Indicative
65	260570	INSURANCE GENERAL	10 415	15 623	15 623	15 623	17 148	18 211	Indicative
65	260740	WATER AND SANITATION		25 000	25 000	25 000			Indicative
65	260900	TRAVELING & SUBSISTANCE							Indicative
65	260915	ELECTION SUPPORT COSTS	82 346	81 000	81 000	81 000	83 746	88 938	Indicative
65	260920	TELEPHONE CALLS/RENTALS							Indicative
65	261120	INSTITUTE & MEMBERSHIP FEES							Indicative
65	261677	HIV/AIDS PROGRAMMES							Indicative
65	260709	Capital Charges	210 990	329 890	347 890	347 890	334 832	355 581	Indicative
65	260710	Depreciation							Indicative
65	260711	Repairs And Maintenance							Indicative
65	260712	General Expenses							Indicative
65	260713	Salaries And Allowances							Indicative
65	260714	Income							Indicative
65	260715	Dumali Clinic	4 807 709	5 976 784	4 487 378	4 487 378	6 147 337	6 586 869	Indicative
65	260716	Income							Indicative
65	260717	Salaries And Allowances							Indicative
65	260718	Repairs And Maintenance							Indicative
65	260719	General Expenses							Indicative
65	260720	Depreciation							Indicative
65	260721	Equitable Share							Indicative
65	260722	Training Refund	(11 263 392)	(11 616 669)	(11 616 669)	(11 616 669)	(12 255 586)	(12 990 821)	Indicative
65	260723	Over Time							Indicative
65	260724	Post & Tel Recovered							Indicative
65	260725	Fees - Bush Clearing							Indicative
65	260726	Income							Indicative
65	260727	Parks and Gardens							Indicative
65	260728	Leave Bonus Salary Staff	6 945 359	7 835 332	7 835 332	7 835 332	8 106 052	8 689 688	Indicative
65	260729	Accumulated Leave Pay	577 067	580 911	580 911	580 911	628 951	674 235	Indicative
65	260730	Group Life Assurance Contrib	1 388 208	1 463 495	1 463 495	1 463 495	569 332	610 324	Indicative
65	260731	Housing Subsidy	36 773	74 867	54 867	54 867	67 053	71 881	Indicative
65	260732	Medical Aid : N M A F	9 006	13 865	23 865	23 865	17 808	19 090	Indicative
65	260733	Pension: Superannuation	545 365	614 045	614 045	614 045	816 141	874 903	Indicative
65	260734	Industrial Council Levies	1 394 459	2 088 662	1 588 662	1 588 662	1 665 921	1 786 867	Indicative
65	260735	Traveling Allowance	5 892	8 103	8 103	8 103	7 632	8 182	Indicative
65	260736	Telephone Allowance	102 599	108 756	108 756	108 756	108 552	116 368	Indicative
65	260737	UNEMPLOYMENT FUND CONTRIBUTION	12 575	16 790	16 790	16 790	16 790	17 999	Indicative
65	260738	WORKMENS COMPENSATION	79 178	100 805	96 422	96 422	87 775	94 095	Indicative
65	260739	SKILLS LEVY	92 477	100 587	110 587	110 587	93 457	100 186	Indicative
65	260740								Indicative
65	260741								Indicative
65	260742								Indicative
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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	Audited	Approved	Adjusted	Approved	Adjusted	Approved	Adjusted
75	202000	UNEMPLOYMENT FUND CONTRIBUTION	4 029	3 621	5 621	2016/17	2017/18	Indicative	2018/19
75	200230	WORKMEN'S COMPENSATION	3 150	3 621	4 774	2016/17	2017/18	Indicative	2018/19
75	200240	SKILLS LEVY	3 850	3 621	4 774	2016/17	2017/18	Indicative	2018/19
75	235102	POOL MAINTENANCE	8 923	50 000	30 000	31 500	33 453	35 427	
75	235110	STADIUM & GROUND MAINTENANCE	295 088	300 000	2 070 000	673 500	715 257	757 457	
75	235340	GRASS CUTTING	7 031	5 290	5 290	5 555	5 899	6 247	
75	NEW	CRECHES MAINTENANCE				50 000		56 233	
75	231042		311 042	355 290	2 105 290	760 555	807 709	855 364	
75	260001	CONSULTANT/SOURCE							
75	260200	CLEANING MATERIALS	4 152	5 819	15 819	16 355	17 369	18 394	
75	260740	WATER AND SANITATION	310 673	337 112	188 129	202 603	215 977	228 084	
75	260820	CHEMICALS OF FERTILIZER	31 988	39 992	39 992	41 348	43 912	46 503	
75	260970	ELECTRICITY AND RATES	2 825	24 235	24 235	25 057	26 610	28 180	
75	261180	TOILET HIRE	53 390	68 770	38 770	40 084	42 570	45 081	
75	261525	SPORTSFIELD DEVELOPMENT		150 000	150 000	155 085	164 700	174 418	
75	NEW	DE-SLUDGING	26 450						
75	NEW	SPORT FIELD CARETAKERS				80 000	84 960	89 973	
75	403 028		652 379	456 945	872 732	926 842	961 525		
75	270001	DEPRECIATION							
75	270001	DEPRECIATION	1 068 636	1 040 927	1 279 231	1 329 231	1 395 693	1 469 665	
75			1 068 636	1 040 927	1 279 231	1 329 231	1 395 693	1 469 665	
75			2 207 309	2 508 383	4 360 254	3 610 154	3 825 018	4 049 537	
		Dolphin Park							
		Income							
80	20080	PARK RENTAL							
80	20087	ST LINDING OF LEASE REVENUE	(530 712)	(530 670)	(559 857)	(593 448)	(630 836)		
			(523 909)	(530 670)	(559 857)	(593 448)	(630 836)		
			(523 909)	(530 670)	(559 857)	(593 448)	(630 836)		
		Environment & Management							
152	10200	POST & TEL RECOVERED							
152	20140	RENT							
152	60270	TRAINING REFUND							
			(3 856)	(3 856)	(3 856)	(8 028)	(8 510)	(9 046)	
			(3 856)	(3 856)	(3 856)	(8 028)	(8 510)	(9 046)	
		Salaries and Allowances							
152	200000	SALARIES	402 680	528 091	528 091	1 027 108	1 101 060	1 177 033	
152	200010	LEAVE BONUS SALARIED STAFF	50 478	41 955	41 955	83 472	89 482	95 656	
152	200080	GROUP LIFE ASSURANCE CONTRIB.	2 901	3 575	3 575	7 292	7 817	8 356	
152	200110	MEDICAL AID : N M M A F	48 408	58 181	58 181	117 100	125 531	134 193	
152	200140	PENSION: SUPERANNUATION	72 669	90 648	90 648	184 931	198 246	211 925	
152	200180	TRAVELLING ALLOWANCES	142	267	267	611	665	700	
152	200190	TELEPHONE ALLOWANCE	135 695	183 753	183 753	527 905	566 914	604 962	
152	200200	UNEMPLOYMENT FUND CONTRIBUTION	5 415	8 141	8 141	32 436	34 771	37 171	
152	200230	WORKMEN'S COMPENSATION	6 842	8 079	8 079	17 111	18 343	19 609	
152	200240	SKILLS LEVY	6 129	7 709	7 709	16 065	17 211	18 399	
			759 157	951 059	951 059	2 058 594	2 206 813	2 359 083	
		General Expenses							
152	260100	PRINTING AND STATIONERY	1 645	5 830	6 830	7 062	7 499	7 942	
152	260680	TRAINING COSTS OF STAFF		12 696	12 696	13 126	13 940	14 763	
152	261100	PROTECTIVE CLOTHING		2 250	2 250	2 326	2 471	2 616	
152	261580	COASTAL MANAGEMENT PLAN		2 116	2 116	2 188	2 323	2 460	
152	261735	CLIMATE CHANGE PROGRAMME							
152	261737	AWARENESS PROGRAMMES	108 189	150 000	150 000	155 085	164 700	174 418	
152	261739	ENVIRONMENTAL MANAGEMENT	9 452	30 000	30 000	3 478	3 694	3 912	
152	261820	ENVIRONMENTAL AWARENESS CAMPAIGNS AND EVE	11 638	25 000	25 000	25 848	27 450	29 070	
152	261821	ECO SCHOOL SUPPORT	20 361	20 000	20 000	20 678	21 960	23 256	

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KWADUKUZA MUNICIPALITY - FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative	Indicative
		Depreciation	2014/2015	2015/16	2015/16	2016/17	2017/18		2018/19
		DEPRECIATION	1 774 307	1 328 947	1 570 615	1 620 615	1 701 646	1 791 834	1 791 834
		Roads And Stormwater	4 712 342	5 082 502	5 327 856	5 576 071	5 928 031	6 283 485	
		Income							
170	10200	POST & TEL RECOVERED							
170	10300	CONTRIBUT. IN LIEU OF PARKING							
170	60270	TRAINING REFUND							
170	66115	MIG GRANT	(20 751 542)	(60 251)	(60 251)	(55 111)	(58 418)	(75 963)	(62 098)
170	66117	P4AS CONTRIBUTIONS BY DOT	(19 212 661)	(1 827 553)	(1 827 553)				
170	66117	P4AS CONTRIBUTIONS BY DOT	(39 969 203)	(123 851)	(8 051 404)	(122 527)	(129 879)	(138 061)	
170	200000	SALARIES	7 004 781	9 083 234	8 363 234	9 202 152	9 864 707	10 545 372	
170	200010	LEAVE BONUS SALARIED STAFF	444 651	553 060	553 060	601 494	644 802	689 293	
170	200020	ACCUMULATED LEAVE PAY	174 135	444 047	444 047	528 692	566 758	605 864	
170	200060	OVERTIME	773 846	629 346	529 346	378 078	405 300	433 266	
170	200080	STANDBY ALLOWANCES	34 504	247 313	147 313	230 083	246 649	263 668	
170	200090	HOUSING SUBSIDY	27 610	82 603	82 603	66 192	69 886	74 708	
170	200110	MEDICAL AID : N M A F	13 380	24 041	24 041	27 984	29 999	32 069	
170	200140	PENSION: SUPERANNUATION	434 426	443 546	533 546	668 678	716 823	766 284	
170	200160	INDUSTRIAL COUNCIL LEVIES	1 223 673	2 158 160	1 768 160	1 751 722	1 877 846	2 007 417	
170	200180	TRAVELLING ALLOWANCES	5 566	8 637	8 637	8 141	8 727	9 329	
170	200190	TELEPHONE ALLOWANCE	55 451	300 000	300 000	577 335	618 903	661 607	
170	200200	UNEMPLOYMENT FUND CONTRIBUTION	6 765	10 558	10 558	8 141	8 727	9 329	
170	200230	WORKMEN'S COMPENSATION	81 381	116 151	116 151	103 306	110 744	118 385	
170	200240	SKILLS LEVY	74 326	120 502	120 502	111 377	119 396	127 634	
170	200260	TOOL ALLOWANCE	85 866	120 501	120 501	110 222	118 158	126 311	
170		Repairs and Maintenance	10 449 382	14 031 238	13 131 238	14 382 614	15 418 162	16 482 015	
170	235060	GENERAL EQUIPMENT & SIGNS #							
170	235130	ROADS AND STORMWATER DRAINS	10 105 024	10 500 000	17 541 488	14 008 563	14 877 093	15 754 842	
170	235230	TOOLS AND EQUIPMENT	73 412	68 770	68 770	72 209	76 665	81 210	
170	235230	VEHICLES AND PLANT	914 251	900 000	880 000	954 500	1 013 679	1 073 486	
170	235616	MACHINERY HIRE	187 131	134 578	134 578	141 306	150 067	158 921	
170	235620	GRADING OF ROADS	-	1 000 000	200 000	210 000	223 020	236 178	
170	235641	POTHOLE REPAIRS	8 412 659	8 900 000	9 375 000	9 345 000	9 924 390	10 509 929	
170	235641	POTHOLE REPAIRS	20 761 805	22 953 348	29 043 348	25 606 765	27 194 384	28 798 853	
170	260540	PROFESSIONAL FEES - ASSET VERIF / MASTER PLAN	1 241 223	1 322 500	1 252 500	1 301 097	1 381 765	1 463 289	
170	260570	INSURANCE GENERAL	106 201	159 302	159 302	174 849	186 690	196 646	
170	260900	TRAVEL AND SUBSISTENCE	523 574	872 659	872 659	902 242	958 181	1 014 714	
170	261530	TRACKING FEES	21 667	28 039	27 403	28 332	30 089	31 864	
170	261791	MIG GRANT TO ILEMBE	20 751 542	-	6 100 223	-	-	-	
170	261833	DBSA COMMITMENT FEES	396 869	-	-	-	-	-	
170	270001	DEPRECIATION	23 041 076	2 382 500	8 412 687	2 406 521	2 555 725	2 706 513	
170	270001	DEPRECIATION	24 966 099	26 702 377	25 707 589	27 757 589	29 145 469	30 690 179	
170	271000	INTEREST ON EXTERNAL LOANS	5 566 617	8 436 436	8 436 436	8 041 041	7 727 461	7 492 427	
170	280040	RECHARGED SALARIES #	(1 497 562)	(2 165 242)	(2 165 242)	(2 295 157)	(2 432 866)	(2 586 137)	
170		Street Lights	43 318 182	72 216 806	74 514 653	75 776 846	79 478 457	83 445 789	
170		Repairs and Maintenance							

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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

Dept	Item	Item Name	Audited	Outcome	Approved	Adjusted	Budget	Approved	Indicative
210	200000	SALARIES	1 514 897	1 663 751	1 663 751	1 663 751	1 825 892	1 957 356	2 092 414
210	200010	LEAVE BONUS SALARIED STAFF	124 763	134 541	134 541	134 541	145 798	156 295	167 080
210	200020	ACCUMULATED LEAVE PAY	49 592	125 024	125 024	125 024	86 931	93 190	99 620
210	200080	GROUP LIFE ASSURANCE CONTRIB.	15 700	21 730	21 730	41 730	11 317	12 132	12 969
210	200090	HOUSING SUBSIDY	13 579	15 378	15 378	19 476	16 068	17 225	18 413
210	200110	MEDICAL AID : N M M A F	8 802	9 476	9 476	150 936	182 328	195 456	208 942
210	200140	PENSION: SUPERANNUATION	134 842	150 936	150 936	291 924	339 828	364 296	389 432
210	200160	INDUSTRIAL COUNCIL LEVIES	288 702	341 924	341 924	979	1 119	1 200	1 282
210	200180	TRAVELLING ALLOWANCES	732	979	979	117 239	122 239	131 040	140 082
210	200190	TELEPHONE ALLOWANCE	116 399	122 239	122 239	9 540	10 227	10 933	11 628
210	200200	UNEMPLOYMENT FUND CONTRIBUTION	7 010	9 540	9 540	15 683	16 953	17 102	17 282
210	200230	WORKMENS COMPENSATION	13 302	15 683	15 683	21 324	22 179	23 514	25 137
210	200240	SKILLS LEVY	18 447	21 082	21 082	26 082	27 935	29 514	31 137
210	235050	FURNITURE-OFFICE MACH & EQUIP.	16 261	30 000	25 000	28 000	29 400	31 223	33 065
210	235230	VEHICLES & PLANT	28 758	33 000	28 000	141 294	148 359	157 557	166 653
210	235450	HARDWARE SUPPORT	155 115	151 294	141 294	194 294	204 009	216 657	229 440
210	250001	CONSULTANTS/SOURCE	10 580	217 400	217 400	224 770	238 706	252 789	265 810
210	260080	COMPUTER CABLING & REPAIRS	10 580	217 400	217 400	224 770	238 706	252 789	265 810
210	260100	PRINTING AND STATIONERY	417 855	400 000	400 000	650 000	672 035	713 701	755 810
210	260190	SOFTWARE SUPPORT/AGENCIES	2 547 292	2 500 000	2 395 000	13 500	13 958	14 823	15 698
210	260570	INSURANCE GENERAL	2 647 292	2 500 000	2 395 000	13 500	13 958	14 823	15 698
210	260740	WATER AND SANITATION	21 935	32 903	32 903	36 114	2 629 714	2 784 867	2 940 016
210	260810	SUNDRY OILS AND FUELS	1 288	28 684	1 082	1 167	1 167	1 239	1 312
210	260880	TRAINING COST OF STAFF	14 866	18 187	26 187	27 075	28 754	30 450	32 152
210	260900	TRAVELLING & SUBSISTENCE	35 000	37 030	37 030	38 285	40 659	43 056	45 453
210	260920	TELEPHONE CALLS/RENTALS	18 000	23 000	23 000	23 780	25 254	26 728	28 202
210	260970	ELECTRICITY AND RATES	5 964 730	2 000 000	3 700 000	1 865 430	1 981 087	2 097 971	2 214 863
210	261330	TRAINING FEES	41 945	65 122	65 122	67 330	71 505	75 723	79 941
210	261684	MASTER SYSTEMS PLAN	1 402	1 370	1 416	1 416	1 504	1 593	1 682
210	261741	DOCUMENT MANAGEMENT IMPLEMENTATION	100 000	100 000	100 000	100 000	100 000	100 000	100 000
210	261742	PLAN TRACKER IMPLEMENTATION	-	-	-	-	-	-	-
210	261747	ICT STRATEGY IMPLEMENTATION	-	-	-	-	-	-	-
210	261748	SLA SERVER INFRASTRUCTURE	-	-	-	-	-	-	-
210	261749	MICROSOFT ENTERPRISE AGREEMENT	-	-	-	-	-	-	-
210	261807	KDM COMMUNICATION TOOL	1 088 431	1 000 000	1 054 181	1 095 084	1 162 979	1 231 595	1 300 190
210	261809	DATALINES	200 000	200 000	200 000	206 780	219 600	232 557	245 504
210	261828	ERP FEASIBILITY STUDY	-	-	-	-	-	-	-
210	261829	DISASTER RECOVERY SITE	450 000	150 000	-	-	-	-	-
210	261830	3 G	600 000	150 000	-	-	-	-	-
210	261831	WARD CONNECTIVITY	64 800	600 000	200 000	206 780	219 600	232 557	245 504
210	270001	DEPRECIATION	10 343 925	8 010 898	8 616 777	8 956 194	7 387 479	7 823 340	8 268 681
210	270001	DEPRECIATION	914 263	1 482 591	1 122 909	1 172 909	1 231 555	1 296 827	1 362 099
210	271000	INTEREST ON EXTERNAL LOANS	166 884	110 513	110 513	49 060	-	-	-
210	280060	LESS: CHARGES TO OTHER DEPTS	(648 758)	(686 661)	(686 661)	(727 861)	(771 532)	(820 139)	(869 672)
210	280060	LESS: CHARGES TO OTHER DEPTS	(648 758)	(686 661)	(686 661)	(727 861)	(771 532)	(820 139)	(869 672)
Budget And Treasury Office			13 282 070	11 774 702	12 000 898	10 455 919	11 067 613	11 740 231	12 421 861
Income									
215	10	RATES							
215	40	RATES CERTIFICATES	(181)	(181)	(181)	(181)	(203)	(215)	(227)
215	70	RATES REBATES	(484 195)	(700 000)	(550 000)	(588 500)	(623 810)	(663 110)	(703 420)
215	80	RATES COLLECTION CHARGES	(2 290 096)	(362)	(362)	(382)	(405)	(430)	(455)
215	90	RATES: PENALTIES	(6 539 747)	(8 411 100)	(3 300 000)	(3 694 536)	(3 916 208)	(4 162 929)	(4 417 459)
215	10075	FEES: SEARCH							

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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

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Dept	Item	Item Name	2014/2015 Outcome	2015/16 Approved	2015/16 Adjusted	2016/17 Budget	2017/18 Indicative	2018/19 Indicative
215	10090	FEE'S: SEARCH	(735)	(420)	(420)	(2 110)	(2 237)	(2 378)
215	10125	SALE OF VALUATION ROLLS	(1 350)	(2 000)	(10 000)	(10 550)	(11 183)	(11 888)
215	10200	POST & TEL RECOVERED	(3 608)	(10 000)	(10 000)	(10 550)	(11 183)	(11 888)
215	25010	INTEREST ON EXTERNAL INVEST.	(1 668 844)	(1 311 796)	(1 311 796)	(1 311 796)	(1 390 504)	(1 478 105)
215	25011	IMPAIRED INVESTMENT RECEIVED	-	-	-	-	-	-
215	25015	INTEREST ON BANK ACCOUNTS	(7 412 016)	(6 882 853)	(7 474 753)	(7 582 138)	(8 037 066)	(8 543 402)
215	25080	INTEREST: SHORT TERM INVEST.	(14 434 261)	(6 137 584)	(6 137 584)	(16 330 336)	(17 310 158)	(18 400 698)
215	25140	RENT	-	-	-	-	-	-
215	30001	PENALTY ON RD CHECKUES	(101)	(4 486)	(4 486)	(4 733)	(5 017)	(5 333)
215	30010	INTEREST ON ARREARS	(4 424 639)	(3 650 100)	(4 200 000)	(4 410 000)	(4 674 600)	(4 969 100)
215	30030	SUNDRY DEBTORS INTEREST	(1 248 687)	(1 200 000)	(1 200 000)	(1 266 000)	(1 341 960)	(1 426 503)
215	55001	M A P GRANT	(822 903)	(822 903)	(301 000)	(301 000)	-	-
215	55031	FINANCE MANAGEMENT GRANT	(1 700 000)	(1 200 000)	(1 200 000)	(1 725 000)	(1 800 000)	(1 285 000)
215	60001	ADMIN CHARGES	(261 412)	(280 900)	(280 900)	(297 754)	(315 619)	(335 503)
215	60250	SUNDRIES	(788 833)	(72 672)	(40 000)	(42 200)	(44 732)	(47 550)
215	60270	TRAINING REFUND	-	(93 025)	(93 025)	(97 531)	(103 383)	(109 896)
215	60365	BAD DEBT RECOVERED	(2 785)	-	(700)	-	-	-
215	60510	SURPLUS CASH	(5 163)	-	(4 000)	-	-	-
215	60580	VALUATION APPEAL FEES	-	(20 000)	(55 000)	(58 025)	(61 507)	(65 381)
215	66095	FEE'S: MPRA S53 REASONS	-	(17 000)	(1 500)	(1 690)	(1 685)	(1 792)
215	66099	S78 REVIEWS	(5 425)	(22 500)	(8 250)	(8 704)	(9 226)	(9 807)
215	660990	ACCOUNT PAYMENTS CLEARING	-	-	-	-	-	(50 987 674)
215	200000	SALARIES	12 085 439	14 765 683	14 565 683	16 026 616	17 180 532	18 365 989
215	200010	LEAVE BONUS SALARIED STAFF	1 065 851	1 199 272	1 199 272	1 278 926	1 371 009	1 465 608
215	200020	ACCUMULATED LEAVE PAY	526 524	628 547	628 547	875 378	938 405	1 003 155
215	200060	OVERTIME	671 502	625 713	625 713	343 317	368 036	393 430
215	200080	GROUP LIFE ASSURANCE CONTRIB.	85 628	126 804	96 804	126 340	135 436	144 782
215	200090	HOUSING SUBSIDY	77 158	86 432	116 432	105 576	113 177	120 967
215	200110	MEDICAL AID : N M M A F	982 952	1 176 447	1 076 447	1 258 402	1 349 007	1 442 088
215	200140	PENSION: SUPERANNUATION	2 737 415	4 198 274	2 198 274	3 492 122	3 743 555	4 001 660
215	200160	INDUSTRIAL COUNCIL LEVIES	4 990	6 944	6 944	7 936	8 507	9 094
215	200180	TRAVELLING ALLOWANCES	979 254	1 056 464	1 046 464	1 235 418	1 324 366	1 415 749
215	200190	TELEPHONE ALLOWANCE	79 663	99 060	113 370	1 324 366	1 324 366	1 415 749
215	200200	UNEMPLOYMENT FUND CONTRIBUTION	99 764	124 276	114 276	123 054	131 914	141 016
215	200230	WORKMENS COMPENSATION	164 629	188 163	188 163	197 532	211 754	226 365
215	200240	SKILLS LEVY	164 065	186 050	206 050	195 061	209 105	223 534
215	220050	BAD DEBT PROVISION	3 426 741	3 849 131	3 849 131	4 000 000	4 200 000	4 422 800
215	220050	CONTRIBUTION	-	-	-	-	-	-
215	235010	BUILDING & FENCES-ADD. JOB NO.	47 848	150 000	150 000	157 500	167 265	177 134
215	235040	FIRE EXTINGUISHERS & HYDRANT#	5 290	5 290	5 290	5 555	5 899	6 247
215	235050	FURNITURE-OFFICE MACH. & EQUIP.	8 960	15 870	15 870	16 664	17 697	18 741
215	235230	VEHICLES AND PLANT	3 238	20 000	20 000	21 000	22 302	23 618
215	235390	KITCHEN WARE	1 569	2 116	2 116	2 222	2 360	2 499
215	236642	HEALTH & SAFETY REQUIREMENTS	7 661	52 900	52 900	55 645	58 989	62 469
215	250001	General Expenses	614 438	2 600 000	3 300 000	2 296 140	2 438 501	2 582 372
215	260070	LEASE-OFFICE MACHINES & EQUIP.	119 150	87 000	87 000	89 949	95 526	101 162
215	260090	BANK CHARGES	1 483 138	1 700 000	1 700 000	1 994 237	2 117 879	2 242 834
215	260100	PRINTING AND STATIONERY	384 718	370 000	305 000	315 340	334 891	354 649
215	260110	BOOK PURCHASES	2 120	2 120	2 120	2 192	2 328	2 466
215	260160	CONFERENCE & WORKSHOPS	22 270	50 000	50 000	51 695	54 900	58 139
215	260170	MEDICINES	375	1 682	1 682	1 739	1 847	1 956
215	260180	BURSARIES-STAFF	-	-	-	-	-	-
215	260200	CLEANING MATERIALS	39 083	40 373	40 373	41 742	44 330	46 945
215	260230	REFRESHMENTS	55 595	38 160	38 160	39 454	41 900	44 372
215	260420	DEEDS OFFICE RETURNS	113 194	130 000	150 000	155 085	164 700	174 418
215	260570	INSURANCE GENERAL	53 180	79 769	79 769	87 556	92 983	98 469
215	260650	RENT OF PROPERTY/OFFICES/HOUSE	259 380	277 042	277 042	286 433	304 192	322 140
215	260710	POSTAGE	96 855	200 000	150 000	155 085	164 700	174 418
215	260740	WATER AND SANITATION	2 544	13 038	13 038	3 356	3 564	3 774
215	260810	SUNDRY OILS AND FUELS	21 265	26 450	26 450	27 347	29 042	30 756

MWADURUZA MUNICIPALITY - FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

Dept	Item	Item Name	Audited	Outcome	Budget	Adjusted	Budget	Approved	Indicative
215	260840	SMALL TOOLS & WORKSHOP MATERIAL	279	1 682	2015/16	1 682	2016/17	2017/18	Indicative
215	260880	TRAINING COSTS OF STAFF	74 870	79 350	2015/16	144 350	149 243	158 497	1 956
215	260900	TRAVELLING & SUBSISTANCE	43 933	66 780	2015/16	66 780	69 044	73 325	77 651
215	260920	TELEPHONE CALLS/RENTALS	-	-	2015/16	-	-	-	-
215	260940	VALUATIONS & VALUATION ROLLS	4 376 034	2 000 000	2015/16	2 000 000	1 185 800	1 259 320	1 333 619
215	260970	ELECTRICITY AND RATES	150 754	206 948	2015/16	206 948	213 963	227 229	240 635
215	261100	PROTECTIVE CLOTHING	35 182	42 320	2015/16	42 320	43 755	46 467	49 209
215	261530	TRACKING FEES	16 216	-	2015/16	-	12 749	13 539	14 398
215	261632	SMS SERVICE	56 074	46 074	2015/16	46 074	47 636	50 589	53 574
215	261810	MPRA COMMUNICATIONS	31 199	112 148	2015/16	90 000	93 051	98 820	104 651
215	261811	MAP EXPENSE	-	-	2015/16	-	-	-	-
215	261812	MASAKANE CAMPAIGN	8 010 108	9 266 457	2015/16	9 771 194	9 820 020	8 708 686	8 904 788
215	270001	DEPRECIATION	493 142	636 274	2015/16	531 454	581 454	610 527	642 885
215	271000	INTEREST ON EXTERNAL LOANS	467 049	347 603	2015/16	347 603	206 881	43 984	-
215	280060	LESS:CHARGES TO OTHER DEPTS	(7 275 148)	(7 700 193)	2015/16	(7 700 193)	(8 162 204)	(8 651 937)	(9 197 009)
215	660990	ACCOUNT PAYMENTS CLEARING	(7 275 148)	(7 700 193)	2015/16	(7 700 193)	(8 162 204)	(8 651 937)	(9 197 009)
215	660930	SALE OF REDUNDANT STOCK	(63 050)	(42 320)	2015/16	(42 320)	(44 859)	(47 551)	(50 546)
220	60110	DISCOUNT ON PURCHASES	(1 056 165)	(1 134 200)	2015/16	(1 134 200)	(1 202 252)	(1 274 387)	(1 354 674)
220	60120	BID / TENDER DOCUMENTS	(791 542)	(795 000)	2015/16	(795 000)	(842 700)	(893 262)	(949 538)
220	60001	ADMIN CHARGES	(1 056 165)	(1 134 200)	2015/16	(1 134 200)	(1 202 252)	(1 274 387)	(1 354 674)
220	10200	POST & TEL RECOVERED	-	-	2015/16	-	-	-	-
220	200000	SALARIES	2 398 740	2 975 358	2015/16	2 975 358	3 282 477	3 518 815	3 761 614
220	200010	LEAVE BONUS SALARIED STAFF	182 518	232 478	2015/16	232 478	251 676	269 797	288 413
220	200060	OVERTIME	88 413	112 818	2015/16	112 818	132 527	142 069	151 872
220	200070	STANDBY ALLOWANCES	26 135	35 262	2015/16	35 262	94 083	100 857	107 816
220	200090	HOUSING SUBSIDY	24 685	30 147	2015/16	30 147	26 642	41 416	44 273
220	200110	MEDICAL AID : N M A F	13 002	17 108	2015/16	32 108	35 616	38 180	40 815
220	200140	PENSION: SUPERANNUATION	205 594	243 677	2015/16	243 677	341 545	366 136	391 400
220	200160	INDUSTRIAL COUNCIL LEVIES	508 838	994 143	2015/16	928 143	788 848	845 645	903 995
220	200180	TRAVELLING ALLOWANCES	1 092	1 603	2015/16	1 603	1 832	1 964	2 099
220	200190	TELEPHONE ALLOWANCE	216 000	228 655	2015/16	228 655	228 655	245 118	262 031
220	200200	UNEMPLOYMENT FUND CONTRIBUTION	18 045	23 914	2015/16	23 914	23 914	25 636	27 405
220	200230	WORKMENS COMPENSATION	21 542	31 270	2015/16	31 270	29 431	31 550	33 727
220	200240	SKILLS LEVY	31 065	39 989	2015/16	39 989	40 117	43 005	45 973
220	235000	REPAIRS AND Maintenance	3 901 738	5 126 657	2015/16	5 126 657	5 355 657	5 741 264	6 137 412
220	235001	YARD MAINTENANCE	3 563	5 290	2015/16	5 290	5 555	5 899	6 247
220	235010	BUILDING & FENCES-ADD JOB NO	2 382	3 174	2015/16	3 174	3 333	3 539	3 748
220	235040	FIRE EXTINGUISHERS & HYDRANTS#	-	-	2015/16	-	-	-	-
220	235050	FURNITURE-OFFICE MACH & EQUIP	3 123	5 290	2015/16	5 290	5 555	5 899	6 247
220	235210	TOOLS AND EQUIPMENT	89	1 058	2015/16	1 058	1 111	1 180	1 249
220	235230	VEHICLES AND PLANT	7 819	20 102	2015/16	20 102	21 107	22 416	23 738
220	235330	KITCHEN WARE	99	317	2015/16	317	333	354	375
220	260030	General Expenses	17 075	37 347	2015/16	37 347	39 215	41 848	44 103
220	260030	ADVERTISING	705 257	600 000	2015/16	600 000	930 510	988 202	1 046 506
220	260070	LEASE-OFFICE MACHINES & EQUIP	20 157	23 000	2015/16	23 000	23 780	25 254	26 744
220	260100	PRINTING AND STATIONERY	79 321	88 900	2015/16	88 900	102 253	108 592	114 999
220	260200	CLEANSING MATERIALS	8 351	9 010	2015/16	9 010	9 315	9 893	10 477

RWANDA MUNICIPALITY - FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

1366

Dept	Item	Item Name	Audited	Adjusted	Budget	Approved	Indicative	Indicative
220	260330	REFRESHMENTS	6 421	8 586	8 586	8 877	9 427	9 984
220	260520	FIRST AID EQUIPMENT	2 769	1 121	1 121	1 159	1 231	1 304
220	260570	INSURANCE GENERAL	4 153	4 153	4 153	4 558	4 841	5 127
220	260740	WATER AND SANITATION	10 502	53 611	56 206	60 590	64 347	68 143
220	260810	SUNDRY OILS AND FUELS	16 104	33 644	33 644	34 785	36 942	39 121
220	260900	TRAVELING & SUBSISTANCE		1 908	1 908	1 973	2 095	2 219
220	260920	TELEPHONE CALLS/RENTALS						
220	260970	ELECTRICITY AND RATES	30 298	45 696	45 696	47 245	50 174	53 136
220	261100	PROTECTIVE CLOTHING	5 263	5 607	5 607	5 797	6 157	6 520
220	261530	TRACKING FEES	1 275	1 402	1 370	1 416	1 504	1 593
220	270001	DEPRECIATION	128 689	200 520	163 303	213 303	225 035	236 962
220	270001	DEPRECIATION	128 689	200 520	163 303	213 303	225 035	236 962
		Capital Charges						
			3 011 021	4 197 231	4 492 577	4 697 085	5 044 655	5 389 264
		Refuse Removal						
		Income						
255	10070	FEES: REFUSE REMOVAL	(54 849 307)	(58 563 026)	(58 563 026)	(68 076 606)	(72 161 417)	(76 707 586)
255	10200	POST & TEL RECOVERED						
255	65095	EQUITABLE SHARE	(17 394 389)	(17 007 330)	(17 007 330)	(15 408 676)	(16 333 197)	(17 362 188)
255	60270	TRAINING REFUND		(25 490)	(25 490)	(26 775)	(28 382)	(30 170)
255	65116	EPWP GRANT	(72 243 696)	(75 595 847)	(75 595 847)	(83 512 258)	(88 522 995)	(94 099 943)
		Salaries and Allowances						
255	200000	SALARIES	3 019 093	3 827 184	3 827 184	4 719 362	5 059 156	5 408 238
255	200010	LEAVE BONUS SALARIED STAFF	228 647	284 968	284 968	305 149	327 120	349 691
255	200020	ACCUMULATED LEAVE PAY	110 929	168 163	168 163	241 751	259 157	277 039
255	200060	OVERTIME	808 404	718 504	868 504	612 153	656 228	701 508
255	200080	GROUP LIFE ASSURANCE CONTRIB.	11 542	33 541	33 541	34 760	37 263	39 834
255	200090	HOUSING SUBSIDY	2 844	6 932	16 932	11 448	12 272	13 119
255	200110	MEDICAL AID : N M M A F	123 289	202 884	202 884	325 365	348 791	372 558
255	200140	PENSION: SUPERANNUATION	658 972	979 408	809 408	923 771	990 283	1 058 612
255	200160	INDUSTRIAL COUNCIL LEVIES	2 617	3 740	3 740	4 274	4 582	4 898
255	200190	TELEPHONE ALLOWANCE	1 855	113 246	113 246	11 967	12 818	13 702
255	200200	UNEMPLOYMENT FUND CONTRIBUTION	39 957	48 032	53 032	49 018	52 547	56 173
255	200230	WORKMEN'S COMPENSATION	38 160	50 980	50 980	53 795	57 668	61 647
255	200240	SKILLS LEVY	40 942	50 981	55 981	53 550	57 406	61 367
		Contributions						
255	220050	BAD DEBT PROVISION	119 087	119 097	119 097	150 000	157 500	165 848
255	220055	REHABILITATION OF LANDFILL SITES	197 354	1 419 087	1 300 000	1 300 000	1 365 000	1 437 345
		Repairs and Maintenance						
255	235110	RADIO REPAIRS	6 877	6 877	6 877	7 221	7 669	8 121
255	235010	BUILDING & FENCES-ADD JOB NO.	50 000	15 870	-	-	-	-
255	235210	TOOLS & EQUIPMENT	9 282	15 870	15 870	16 664	17 697	18 741
255	235230	VEHICLES AND PLANT	992 313	1 607 102	1 707 102	1 854 157	1 968 115	2 085 293
255	235290	REFUSE DUMP MAINTENANCE #	9 786	21 160	21 160	22 218	23 596	24 988
255	235420	REFUSE RECEPTACLES	20 000	37 030	7 030	7 382	7 839	8 302
		General Expenses						
255	250001	CONSULTANTS/OUTSOURCE	18 777 173	21 983 500	21 483 500	22 211 791	23 588 922	24 980 668
255	260100	PRINTING AND STATIONERY	21 930	25 000	25 000	25 848	27 450	29 070
255	260130	BAD DEBTS WRITTEN OFF	61 830	21 160	21 160	21 877	23 234	24 605
255	260200	CLEANING MATERIALS	806	1 121	1 121	1 159	1 231	1 304
255	260260	DUMP CHARGES	10 949 227	10 577 455	10 577 455	10 936 031	11 592 182	12 322 501
255	260380	INDIGENT SUPPORT	3 284 075	4 236 715	1 527 839	1 628 676	1 726 396	1 835 160
255	260385	FREE BASIC SERVICES	12 078 330	12 771 615	13 000 000	13 780 000	14 606 800	15 527 028
255	260570	INSURANCE GENERAL	7 391	11 086	11 086	12 168	12 822	13 685
255	260710	POSTAGE	106 541	70 000	70 000	72 373	76 860	81 394
255	260810	SUNDRY OILS AND FUELS	1 215 767	1 400 000	1 400 000	1 447 460	1 537 203	1 627 897
255	260820	CHEMICALS OF FERTILIZER						1 304

Dept	Item	Item Name	Audited	Approved	Adjusted	Approved	Indicative
255	260880	TRAINING COSTS OF STAFF	27 495	41 495	41 495	42 901	45 561
255	260900	TRAVELLING AND SUBSISTENCE	9 032	7 632	7 632	7 891	8 380
255	260930	TRANSPORT & PLANT	-	-	-	-	-
255	261030	REFUSE BAGS/CONTRACT	3 920	8 972	8 972	9 276	9 851
255	261100	PROTECTIVE CLOTHING	1 668 870	2 425 000	2 425 000	2 507 208	2 662 654
255	261530	TRACKING FEES	14 445	18 226	18 226	243 495	258 591
255	261686	STREET CLEANING	244 368	342 051	342 051	353 647	375 573
255	261792	FOOD FOR WASTE	1 022 171	1 000 000	1 000 000	1 033 900	1 098 002
255			49 581 897	55 213 201	52 196 755	54 855 275	57 672 612
255		DEPRECIATION					
255	270001	DEPRECIATION	1 305 074	839 681	1 383 176	1 433 176	1 504 835
			1 305 074	839 681	1 383 176	1 433 176	1 504 835
		CAPITAL CHARGES					
255	271000	INTEREST ON EXTERNAL LOANS	100 448	53 678	53 678	23 829	-
		RECHARGES					
			100 448	53 678	53 678	23 829	-
			(14 940 511)	(9 843 568)	(12 296 539)	(16 373 747)	(19 020 951)
		PUBLIC PARTICIPATION					
		INCOME					
260	60270	TRAINING REFUND		(4 083)	(4 083)	(7 022)	(7 443)
260	65123	COMMUNITY PARTICIPATION IN IDPS		(4 083)	(4 083)	(7 022)	(7 443)
		SALARIES AND ALLOWANCES					
260	200000	SALARIES	711 945	723 170	1 103 170	1 248 977	1 338 903
260	200010	LEAVE BONUS SALARIED STAFF	54 667	60 264	60 264	104 081	111 575
260	200020	ACCUMULATED LEAVE PAY	20 446	23 141	23 141	39 967	42 845
260	200060	OVERTIME	130 863	100 621	286 621	182 375	195 506
260	200080	GROUP LIFE ASSURANCE CONTRIB.	3 382	5 135	5 135	8 868	9 506
260	200090	HOUSING SUBSIDY	2 200	2 544	2 544	-	-
260	200110	MEDICAL AID : N M M A F	71 831	78 610	88 610	103 121	110 546
260	200140	PENSION - SUPERANNUATION	136 466	202 329	202 329	260 661	279 418
260	200160	INDUSTRIAL COUNCIL LEVIES	264	267	1 267	509	546
260	200180	TRAVELLING ALLOWANCES	1 091	-	-	-	-
260	200190	TELEPHONE ALLOWANCE	1 855	2 417	2 417	2 417	2 591
260	200200	UNEMPLOYMENT FUND CONTRIBUTION	5 800	6 060	10 060	10 100	10 827
260	200230	WORKMENS COMPENSATION	7 099	8 167	8 167	14 043	15 054
260	200240	SKILLS LEVY	9 481	8 167	18 167	14 043	15 054
		Repairs and Maintenance					
260	235230	VEHICLES AND PLANT	92 371	95 220	95 220	99 981	106 180
			92 371	95 220	95 220	99 981	106 180
		General Expenses					
260	260100	PAINTING AND STATIONERY	12 793	18 232	18 232	18 850	20 019
260	260160	CONFERENCE & WORKSHOPS	11 415	14 310	14 310	14 795	15 712
260	260810	SUNDRY OILS AND FUELS	71 437	75 647	75 647	78 211	83 061
260	260900	TRAINING COSTS OF STAFF	5 085	17 172	17 172	17 754	18 855
260	261530	TRACKING FEES	295 271	300 000	300 000	310 170	329 401
260	261645	MSIG WARD PARTICIPATION	4 375 000	4 375 000	4 214 700	4 307 578	4 574 648
260	261728	WARD COMMITTEE MEMBERS	80 471	80 471	80 471	80 000	82 000
260	261729	WARD COMMITTEE TRAINING	17 178	26 450	26 450	27 347	29 042
260	261730	STATIONERY - WARD COMMITTEE	52 829	61 364	71 364	73 783	78 358
260	261793	PUBLIC AWARENESS CAMPAIGNS	-	-	-	-	-
260	261794	IDP/MAYORAL ROADSHOWS	4 566	-	-	-	-
260	261795	SPECIAL PROGRAMMES FOR VULNERABLE GROUPS	-	-	-	-	-
260	261796	REED DANCE	2 925 164	5 082 671	4 942 212	5 627 667	5 976 583

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Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative	Indicative
400	60368	R HOOPSINGH WARD 15 PREPAID							
400	65064	CARDINSKY INV WARD 19 PREPAID							
400	65065	MECCA HWARE WARD 19 PREPAID							
400	65066	SINGHS FRUIT WARD 19 PREPAID							
400	65068	PREPAID SE MANGA & SONS							
400	65069	PREPAID NJABULO TRADING WARD18							
400	65070	PREPAID SHAKASKRAAL BUTCH W8							
400	65097	PREPAID ZIBUYILE TRADING							
400	65098	STANGER SUPER SPAR							
400	65099	CONTOUR	(93 896 565)	(126 449 713)	(110 400 000)	(123 318 263)	(132 937 086)	(143 572 055)	
400	NEW	DBSA							
400	65100	PENALTIES FROM CAPITAL PAYMENT	(508 372 899)	(588 191 223)	(584 361 031)	(606 340 875)	(652 057 806)	(702 616 182)	
					(25 126)				
400	200000	SALARIES	4 183 114	5 908 815	5 538 815	8 063 168	8 643 716	9 240 133	
400	200010	LEAVE BONUS SALARIED STAFF	336 974	438 038	438 038	675 350	723 975	773 929	
400	200020	ACCUMULATED LEAVE PAY	132 096	185 475	185 475	312 063	334 532	357 614	
400	200060	OVERTIME	1 114 050	1 111 746	1 441 746	758 879	813 518	869 651	
400	200070	STANDBY ALLOWANCES	72 382	84 507	134 507	93 654	100 397	107 324	
400	200080	GROUP LIFE ASSURANCE CONTRIB.	39 341	58 319	58 319	59 693	63 991	68 406	
400	200090	HOUSING SUBSIDY	22 405	25 885	55 885	49 608	53 180	56 849	
400	200110	MEDICAL AID : N M M A F	391 991	424 950	499 950	728 080	780 502	834 356	
400	200140	PENSION: SUPERANNUATION	786 988	1 646 848	1 151 848	1 483 427	1 590 234	1 699 960	

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING

1371

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**KWADUKUZA MUNICIPALITY - FINAL
MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - OPERATING**

1374

Dept	Item	Item Name	Audited	Approved	Adjusted	Budget	Approved	Indicative
440	235570	33-11KV POINT OF SUPPLY REPAIR	57 602	293 103	293 103	2015/16	2016/17	2017/18
440	235580	LINE CLEARING #	15 208	13 826	13 826	2015/16	2016/17	2017/18
440	235590	S/STATION REPAIRS	3 845	3 457	3 457	2015/16	2016/17	2017/18
440	235600	SUB STATION MAINTENANCE	583 672	1 481 824	1 631 924	2015/16	2016/17	2017/18
			(98 597 959)	(110 258 004)	(108 748 201)	(117 099 645)	(126 260 634)	(136 399 916)
		Urban North						
450	235480	MAINS REPAIRS #						
450	235490	MAINS MAINTENANCE	3 156 455	4 388 629	4 288 629	4 503 060	4 782 250	5 064 403
450	235500	TRANSFORMER MAINTENANCE	763 159	844 772	814 772	855 510	908 552	962 156
450	235510	TRANSFORMER REPAIRS	5 966	106 464	106 464	111 787	118 718	125 722
450	235520	SWITCHGEAR REPAIRS	34 058	103 699	153 699	161 384	171 389	181 501
450	235530	SWITCHGEAR MAINTENANCE #	3 235	117 525	177 525	186 401	197 956	209 638
450	235540	S/STATION BLDGS & FENCES M #	39 917	78 393	78 393	82 313	87 417	92 574
450	235550	S/STATION BLDGS & FENCE REPAIR	33 587	27 653	27 653	29 036	30 836	32 655
450	235560	33-11KV POINT OF SUPPLY M #	18 306	22 611	22 611	23 741	25 213	26 701
450	235570	33-11KV POINT OF SUPPLY REPAIR	573	34 566	34 566	36 295	38 545	40 819
450	235580	LINE CLEARING #	5 830	10 800	10 800	11 340	12 043	12 754
450	235590	SUB STATION MAINTENANCE	31 058	45 064	55 064	57 817	61 402	65 024
		Pole Replacement North Section		29 160	29 160	30 618	32 516	34 435
		Pole Replacement Sir Light South			70 000	73 850	78 429	83 056
			4 082 143	5 809 336	5 839 335	6 237 002	6 623 886	7 014 494
		General Expenses						
450	260150	CALL OUT TO CONS.COMPLAINTS #	1 897 381	2 197 069	2 197 069	2 271 550	2 412 386	2 554 717
450	260210	CIRCUIT BREAKER CHANGES #	658	2 709	2 709	2 801	2 974	3 150
450	260220	DISCONNECTION/RECONNECTION #	13 743	24 224	54 224	56 062	59 538	63 051
450	260570	INSURANCE GENERAL	2 673	4 010	4 010	4 401	4 674	4 950

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MUNICIPAL MANAGER CAPITAL BUDGET

FINAL BUDGET 2016,2017														
Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 613 Municipal Manager													
400034	Office Furniture	20,000				20,000								
423203	Neighbourhood Grant Fund App.	11,000,000		5,000,000	4,000,000	2,000,000								
	SUB TOTAL	11,020,000	-	5,000,000	4,000,000	2,020,000	-	-	-	-	-	-	-	-
	TOTAL	11,020,000	-	5,000,000	4,000,000	2,020,000	-	-	-	-	-	-	-	-

CORPORATE GOVERNANCE CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 679 Public Participation													
400034	Furniture & Equipment	150,000				120,000								30,000
	SUB TOTAL	150,000	-	-	-	120,000	-	-	-	-	-	-	-	30,000
	Depmnt : 680 Communication													
422017	Tools & Equipment	50,000			50,000									400,000
422669	Website Development	400,000												
	SUB TOTAL	450,000	-	-	50,000	-	-	-	-	-	-	-	-	400,000
	TOTAL	600,000	-	-	50,000	120,000	-	-	-	-	-	-	-	430,000

CORPORATE SERVICES CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 617 Human Resources													
400013	Office Furniture	40,000				40,000								
NEW	OHS Compliance Equipment	300,000				300,000								
	SUB TOTAL	340,000	-	-	-	340,000	-	-	-	-	-	-	-	-
	Depmnt : 640 Administration													
400013	Office Furniture & Equipment	30,000				30,000								
NEW	Baito Pele - Branding Material	200,000					100,000	100,000						
	SUB TOTAL	230,000	-	-	-	30,000	100,000	100,000	-	-	-	-	-	-
	Depmnt : 642 Council General													
400013	Council Furniture	100,000				100,000								
422782	Mayoral Vehicles	1,700,000												1700000
	SUB TOTAL	1,800,000	-	-	-	100,000	-	-	-	-	-	-	-	1,700,000
	Depmnt : 643 Information Technology													
414504	PC and Printer Upgrades	1,000,000												
422026	Network Upgrade	300,000						300,000			400,000		200000	
NEW	Wireless Radio's / Links	400,000						400,000						
NEW	Disaster Recovery Site	600,000						300,000	300,000					
NEW	Service Desk	100,000				100,000								
NEW	Sharepoint	600,000										300,000	300000	
	SUB TOTAL	3,000,000	-	-	-	100,000	-	1,000,000	300,000	-	400,000	700,000	500,000	-
	TOTAL	5,370,000	-	-	-	570,000	100,000	1,100,000	300,000	-	400,000	700,000	500,000	1,700,000

FINANCE CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 635 Supply Chain Management													
42543	Furniture & Equipment	10,000				10,000								
	SUB TOTAL	10,000	-	-	-	10,000	-	-	-	-	-	-	-	-
	Depmnt : 636 Budget & Treasury Office													
422017	Equipment	400,000					200,000	200,000						
422605	Renovations to Office Buildings	1,000,000									300,000	400,000	200,000	100,000
461961	Renovations to Expenditure Section	250,000									150,000	100,000		
	SUB TOTAL	1,650,000	-	-	-	-	200,000	200,000	-	-	450,000	500,000	200,000	100,000
	TOTAL	1,660,000	-	-	-	10,000	200,000	200,000	-	-	450,000	500,000	200,000	100,000

ECONOMIC DEVELOPMENT & PLANNING CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 615 Town Planning													
422644	Street Naming Signage	150,000											50,000	100,000
422700	Land Purchase Intermodal	500,000												500,000
422701	Bulk Filers	100,000						100,000						
422702	Gis Implementation Equipment	50,000							50,000					
422704	Furniture And Equipment	150,000				150,000								
422756	Electr. Bldg Plans Filing Hw	250,000						200,000	50,000					
461950	Salt Rock Parkhome	900,000			250,000									650,000
	SUB TOTAL	2,100,000	-	-	250,000	150,000	-	300,000	100,000	-	-	-	50,000	1,250,000
	Depmnt : 616 Museum													
400013	Office Furniture	80,000				80,000								
461373	Museum Subsidy	60,000					60,000							
NEW	Museum Artifacts	50,000					50,000							
	SUB TOTAL	190,000	-	-	-	80,000	110,000	-	-	-	-	-	-	-
	Depmnt : 632 Housing													
409034	Furniture & Equipment	200,000				200,000								
409038	Fencing Old Age Home Pallisade	500,000												
409042	Tools & Equipment	15,000			15,000							200,000	100,000	200,000
409044	Airconditioner	50,000				50,000								
414504	Pc & Printer Upgrades	120,000					120,000							
414505	Renovation to Compounds	250,000											100,000	150,000
	SUB TOTAL	1,135,000	-	-	15,000	250,000	120,000	-	-	-	-	200,000	200,000	350,000

ECONOMIC DEVELOPMENT & PLANNING-CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 633 Community Hall													
422527	Fencing	300,000						150,000	150,000					
422706	Halls Furniture	120,000				120,000								
New	Security Gates	100,000					100,000							
	SUB TOTAL	520,000	-	-	-	120,000	100,000	150,000	150,000	-	-	-	-	-
	Depmnt : 641 LIBRARY													
422017	Tools and Equipment	5,000			5,000									
422711	Library Furniture	40,000				40,000								
	SUB TOTAL	45,000	-	-	5,000	40,000	-	-	-	-	-	-	-	-
	Depmnt : 647 Local Development													
423193	Informal Trading Stalls	600,000										200,000	200,000	200,000
461543	Led Centre Renovations	50,000								50,000				
461544	I/F A / Tongaat Development	2,000,000								300,000	450,000	300,000	450,000	500,000
NEW	Tourism Signage	250,000					250,000							
	SUB TOTAL	2,900,000	-	-	-	-	250,000	-	-	350,000	450,000	500,000	650,000	700,000
	TOTAL	6,890,000	-	-	270,000	640,000	580,000	450,000	250,000	350,000	450,000	700,000	900,000	2,300,000

MUNICIPAL SERVICES - CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 662 Executive Management Office													
461532	Furniture & Equipment	100,000				100,000								
	SUB TOTAL	100,000	-	-	-	100,000	-	-	-	-	-	-	-	-
	Depmnt : 644 Parks and Gardens													
415027	Benches	20,000												
422540	Street Litter Bins	16,000					20,000							
422546	Parks Equipment	150,000					16,000							
461417	Upgrade To Skateboard Park	200,000			100,000	100,000	150,000							
NEW	Park Plant & Equipment	50,000					50,000							
NEW	Airconditioners	12,000					12,000							
	SUB TOTAL	448,000	-	-	100,000	100,000	248,000	-	-	-	-	-	-	-
	Depmnt : 663 Refuse Removal													
400013	Furniture & Equipment	50,000				50,000								
422563	Drop Off Centre	200,000												
NEW	Street Litter Bins	70,000					70,000						200,000	
		320,000	-	-	-	50,000	70,000	-	-	-	-	-	200,000	-
	Depmnt : 676 Sports and Recreation													
422665	2 X Combo Courts	510,000										150,000	150,000	210,000
	SUB TOTAL	510,000	-	-	-	-	-	-	-	-	-	150,000	150,000	210,000
	Depmnt : 677 Upgrade of Sporting Facilities													
422682	Upgrade to Luthuli Sportsfield & Basketball Court	1,000,000			200,000	200,000	100,000							500,000
422683	Upgrade to Sakubuso Sportsfield	900,000			150,000									750,000

MUNICIPAL SERVICES - CAPITAL BUDGET

FINAL BUDGET 2016/2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
422684	Upgrade to Manor Sportfield	1,647,000										400,000	350,000	897,000
422686	Driefontein Sportfield	400,000							400,000					
NEW	1 x Corlito Court	950,000										150,000	400,000	400,000
NEW	Upgrade to Theunissen Road Park Phase 1	200,000					200,000							
NEW	Upgrade to Gifford Crescent Park	150,000				150,000								
	SUB TOTAL	5,247,000	-	-	350,000	350,000	300,000	-	400,000	-	-	550,000	750,000	2,547,000
	Depmnt : 678 Child Care Facilities													
NEW	2 x Creches	1,000,000			250,000	250,000	250,000	250,000						
	SUB TOTAL	1,000,000	-	-	250,000	250,000	250,000	250,000	-	-	-	-	-	-
	Depmnt : 651 Marine Safety													
418519	Marine Safety Equipment	250,000				250,000								
422740	Beach Rescue Equipment	106,000			106,000									
422741	Furniture	60,000				60,000								
422743	Upgrade to Beach Facilities	1,150,000									450,000	300,000	250,000	150,000
NEW	Topedo Bouys	25,000			25,000									
NEW	Box Lines	15,000			15,000									
NEW	Throw Bags	16,000			16,000									
NEW	Trauma Bags	50,000			50,000									
NEW	Street Litter Bins	20,000			20,000									
NEW	Upgrade to Tidal pool and septic tank at Tinley Manor Beach	1,000,000									300,000	300,000	200,000	200,000
NEW	4 X 4 Vehicles X 3/ 2 X Manuals/ 1 X Automatic	1,400,000					1,400,000							
NEW	Zinkwazi Office Upgrade	50,000												50,000
	SUB TOTAL	4,142,000	-	-	232,000	310,000	1,400,000	-	-	-	750,000	600,000	450,000	400,000
	Depmnt : 852 Cemetery													
440050	Walspruit Cemetery	8,800,000		2,000,000	1,800,000	1,500,000	1,500,000	2,000,000						
440051	Land Acquisition & Cemetery Development	10,000,000												10,000,000
440053	Crematorium Development	200,000							200,000					

MUNICIPAL SERVICES - CAPITAL BUDGET

FINAL BUDGET 2016/2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	SUB TOTAL	19,000,000	-	2,000,000	1,800,000	1,500,000	1,500,000	2,000,000	200,000	-	-	-	-	10,000,000
	Depmnt : 656 Traffic & Crime Prevention													
428167	Land Purchase: Community Safety Centre	1,686,000												
NEW	2X generators	30,000				30,000								1,686,000
NEW	45X bullet proof vests	250,000				250,000								
NEW	4 X Air conditioners	16,000				16,000								
NEW	2 X Storage Containers	100,000						100,000						
NEW	Beach Signage - Phase 1	200,000					200,000							
	SUB TOTAL	2,282,000	-	-	-	296,000	200,000	100,000	-	-	-	-	-	1,686,000
	Depmnt : 674 Testing Station													
428141	New Testing Facility	500,000												
NEW	2 X CC TV Cameras	15,000				15,000								500,000
NEW	2X Money counters and Printers	90,000				90,000								
NEW	6X High Back Chairs	9,000				9,000								
NEW	2x replacement airconditioners	6,000				6,000								
NEW	color monitor	5,000				5,000								
NEW	4 x addition indoor cctv cameras	20,000					20,000							
NEW	4x outdoor cctv cameras - new	20,000					20,000							
NEW	4x outdoor cctv cameras - replacement	20,000					20,000							
NEW	12 X Highback chairs	18,000				18,000								
NEW	2 X replacement aircons	6,000				6,000								
NEW	51 inch color monitor	6,500				6,500								
NEW	4 X high back chairs	6,000				6,000								
	SUB TOTAL	721,500	-	-	-	161,500	60,000	-	-	-	-	-	-	500,000
	Depmnt : XXX Law Enforcement Administration													
NEW	Parkhome extension - LEA Records	200,000							200,000					
NEW	4 X Desk	6,000				6,000								

MUNICIPAL SERVICES - CAPITAL BUDGET

FINAL BUDGET 2016,2017														
Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
NEW	4 X High Back Chairs	6,000				6,000								
NEW	8 X Scanner	40,000				40,000								
NEW	Money Counting Machine	50,000				50,000								
		302,000	-	-	-	102,000	-	-	200,000	-	-	-	-	-
	TOTAL	34,072,500	-	2,000,000	2,732,000	3,219,500	4,028,000	2,350,000	800,000	-	750,000	1,300,000	1,550,000	15,343,000

TECHNICAL SERVICES: CIVIL/CAPITAP BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 646 Civil Engineering Admin													
400013	Furniture & Equipment	50,000				50,000								
461865	Engineering Equipment	200,000					200,000							
	SUB TOTAL	250,000	-	-	-	50,000	200,000	-	-	-	-	-	-	-
	Depmnt : 646 Roads Infrastructure													
461426	Wooden Bridges (27 Wards)	1,800,000	393,175	500,000	1,000,000									
461527	Blvd Park Bridge Replacement	4,900,000			2,000,000	2,500,000								6,825
461528	Traffic calming measures	1,000,000					1,000,000							400,000
461529	Rehabilitation of Roads	7,000,000			1,000,000	2,000,000	1,500,000	1,500,000	1,000,000					-
NEW	Commuter Shelters	500,000												500,000
	SUB TOTAL	15,300,000	393,175	500,000	4,000,000	4,500,000	2,500,000	1,500,000	1,000,000	-	-	-	-	906,825
	Depmnt : 646 Roads Master Plan Projects													
461606	Ward 6-Road Construction	2,500,000					500,000	1,000,000	1,000,000					-
461619	CBD Stormwater Analysis	1,800,000					1,000,000							-
461622	Wrd22-Coliwn Dr Rehabilitation	6,600,000			2,000,000	2,000,000	2,600,000							800,000
461957	W2 Darnal Road (Palm Grove/Mill Rd)	1,500,000												-
NEW	Chief Albert Lutheff Road Rehab.	9,500,000								2,000,000				1,500,000
	SUB TOTAL	21,900,000	-	-	2,000,000	2,000,000	4,100,000	1,000,000	1,000,000	2,000,000	-	-	-	9,800,000
	Depmnt : 646 Civic Buildings													
461851	Ballito Civic BLDG Renovation	6,000,000						2,000,000	2,000,000	2,000,000				-
461892	Kwadukuza CBD Abulion	150,000					150,000							-
NEW	Lavopierre Yard Improvements	3,050,000					850,000							2,200,000
	SUB TOTAL	9,200,000	-	-	-	-	1,000,000	2,000,000	2,000,000	2,000,000	-	-	-	2,200,000

FINAL BUDGET 2016.2017

Deptmt : 646 Civil Engineering MIG Roads

TECHNICAL SERVICES - CIVIL/CAPITAP BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Projects 2010/11														
416512	Sakthamkanya	552,913		552,913										
Projects 2014/15														
461881	Steve Biko Phase 2	2,959,544												
461882	Knudon Bus Route	11,500,000				1,959,544	1,000,000							
461885	Mkhambeni / Mahodweni (W27)	9,000,000			2,000,000		500,000	2,000,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
461886	Charotchedale Ext to Dube Village	11,000,000							2,000,000	2,500,000	2,500,000	2,000,000	2,000,000	-
Projects 2015/16									510,000	2,090,000	2,500,000	2,900,000	2,000,000	1,000,000
461894	Ebhuhla Access Roads	4,800,000												
461896	Mangomfifi Road Improvement	7,455,170							1,100,000	2,000,000	1,700,000			-
461902	Etele Internal Roads	11,980,000								710,000	2,050,000	2,300,000	900,000	1,495,170
461903	Madakeni Access	3,500,000							369,515	2,500,000	2,500,000			6,610,485
461904	Lindelani Access Road	600,000										2,150,000	1,350,000	-
461909	Slanger Heights Roads Improvement	9,000,000									600,000			-
461921	Lindelani Roads Upgrading	600,000												9,000,000
461923	Marambekosi Bridge	1,690,300						600,000						-
461926	Hlalanxosi Access Road	8,040,000						1,890,300						-
461927	Major Storm Water Upgrading (Floods) - Turnkey	7,230,000						1,784,700				1,800,000	1,350,000	2,105,300
461928	Diphini Access Road	5,520,000						200,000						7,230,000
461946	Shakashead Storm water	4,000,000												5,320,000
NEW	Shokembula Access Road	7,980,000										1,500,000	1,500,000	1,000,000
Depmnt : 646 Creches														7,980,000
461932	Etele Crèche	2,700,000												-
461933	Lindelani Crèche	2,700,000							450,000	200,000			400,000	1,650,000
SUB TOTAL		112,807,927	-	552,913	2,000,000	1,959,544	1,500,000	6,275,000	5,429,515	12,000,000	15,850,000	14,200,000	7,150,000	46,090,955
TOTAL		186,957,927	393,175	1,762,913	9,900,000	14,359,544	17,350,000	14,775,000	12,019,515	17,200,000	16,500,000	15,100,000	7,600,000	59,997,780

TECHNICAL SERVICES - ELECTRICAL CAPITAL BUDGET

FINAL BUDGET 2016-2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 658 Mechanical Engineering													
400013	Furniture & Equipment	18,000				18,000								
400027	Tools And Equipment	20,000				20,000								
422044	Canopy Roof over Washbay	300,000			300,000									
	SUB TOTAL	338,000	-	-	300,000	38,000	-	-	-	-	-	-	-	-
	Depmnt : 659 Electrical Admin													
400027	Tools And Equipment	100,000					100,000							
400034	Office Furniture	60,000				60,000								
422723	Electrical Recording Equipment	200,000			450,000	200,000								
461378	Radios / Repeater	1,100,000				650,000								
461472	Safety Equip Fas Ppe Portable	90,000							90,000					
461478	Spare 10 MVA 33/11KV Transformer and NER	3,000,000							1,500,000	1,500,000				
461480	Electrical Fleet	1,400,000									1,400,000			
NEW	Cable Locating Machine	60,000					60,000							
NEW	Cable Spiking Gun X 2	60,000					60,000							
	SUB TOTAL	6,070,000	-	-	450,000	910,000	220,000	-	1,590,000	1,500,000	1,400,000	-	-	-
	Depmnt : 660 Street Lighting-Roll Over													
423840	Streelights Cluster A	53,601			53,601									
423841	Streelights Cluster B	51,610			51,610									
423845	Streelights Cluster F	75,082			75,082									
423898	Streelights(Cluster A) 100S/L	461,997					461,997							
423899	Streelights (Cluster B) 37S/L	147,185					147,185							
423900	Streelights (Cluster C) 100S/L	124,795					124,795							
423901	Streelights (Cluster D) 100S/L	124,798					124,798							
423902	Streelights (Cluster E) 100S/L	124,795					124,795							
423903	Streelights (Cluster F) 50 S/L	165,616					165,616							
423904	Streelights (Cluster G) 50 S/L	95,636					95,636							
461379	New Streelights in Provincial High Risk Areas	307,073					307,073							

TECHNICAL SERVICES - ELECTRICAL CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	SUB TOTAL	1,732,188	-	-	180,293	-	1,551,895	-	-	-	-	-	-	-
	Depmnt : 660 Street Lighting-LED NEW													
NEW	Streelights(Cluster A) 100S/L	1,000,000												
NEW	Streelights (Cluster B) 37S/L	370,000							500,000	500,000				
NEW	Streelights (Cluster C)100S/L	1,000,000							370,000					
NEW	Streelights (Cluster D)100S/L	1,000,000							500,000	500,000				
NEW	Streelights (Cluster E)100S/L	1,000,000							500,000	500,000				
NEW	Streelights (Cluster F)50 S/L	500,000							500,000	500,000				
NEW	Streelights (Cluster G)50 S/L	500,000							500,000	500,000				
NEW	Shakaskraal /R102 Streelights upgrade investigation	150,000								150,000				
	SUB TOTAL	5,520,000	-	-	-	-	-	-	2,370,000	3,150,000	-	-	-	-
	Depmnt : 660 Upgrade LT Mains - North Roll Over													
423958	Townview Low Voltage Upgrade	88,000			88,000									
423959	Newtown underground low voltage phase 2	125,000			125,000									
	SUB TOTAL	213,000	-	-	213,000	-	-	-	-	-	-	-	-	-
	Depmnt : 660 Upgrade LT Mains - South Roll Over													
423936	Roger Place													
423960	Sandra Road Phase 3	136,000						136,000						
	SUB TOTAL	272,000	-	-	-	-	-	272,000	-	-	-	-	-	-
	Depmnt : 660 Upgrade LT Mains - South New													
NEW	Sandra Road Phase 4	350,000												
NEW	Shakaskraal Network upgrade investigation (LT)	200,000							350,000	200,000				
	SUB TOTAL	550,000	-	-	-	-	-	-	550,000	-	-	-	-	-
	Depmnt : 660 Upgrade MV Network - North Rollover													

TECHNICAL SERVICES- ELECTRICAL CAPITAL BUDGET

FINAL BUDGET 2016,2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
423962	Dendethu Phase 4	94,180							94,180					
423963	Doesburg Lot 11	89,346							89,346					
423964	Keatsney Shannon Farm Phase 1	90,123							90,123					
423965	Groutville Hangos Phase 1	89,623							89,623					
423966	Groutville Charlotte Phase 1	90,063							90,063					
423967	Fawsley Park Phase 4	89,882							89,882					
423968	Townview MV Cable Phase 1	109,741							109,741					
423969	Townview 500 kVA Mini Sub	380,000							380,000					
	SUB TOTAL	1,032,958	-	-	-	-	-	-	1,032,958	-	-	-	-	-
	Depmnt : 660 Upgrade MV Network - North NEW													
New	Doesburg/Lindelan Feeder P5	380,000				180,000	200,000							
New	Princes Grant Main 4 way Fling Main unit	400,000				200,000	200,000							
New	Bytheedale Main 4 way Fling Main unit	380,000							180,000	200,000				
New	Dendethu Phase 5 (Ocean Lodge)	380,000							180,000	200,000				
New	Doesburg Lot 11 Phase 2	380,000							180,000	200,000				
New	Keatsney Hospital Phase 1	380,000							180,000	200,000				
New	Groutville Hangos Phase 2	380,000							180,000	200,000				
New	Groutville Dube Village Phase 1	380,000							180,000	200,000				
New	Old Bytheedale Feeder Upgrade 11kV Cable	140,000										140,000		
New	Sewerage Works 4 way Fling Main Unit	100,000										100,000		
	SUB TOTAL	3,300,000	-	-	-	380,000	400,000	-	-	1,080,000	1,200,000	240,000	-	-
	Depmnt : 660 Upgrade MV Network - South Roll Over													
423971	Elete Feeder Phase 1	95,455							95,455					
423972	Miltons Feeder 150mm/Alu	61,019							61,019					
423973	Glendale Alexa Farm Shayamoya	90,862							90,862					
423974	Compensation Phase 3	90,795							90,795					
423975	Compensation Phase 4	88,703							88,703					
423976	Shakas Inland	89,735							89,735					
	SUB TOTAL	516,569	-	-	516,569	-	-	-	-	-	-	-	-	-

TECHNICAL SERVICES - ELECTRICAL CAPITAL BUDGET

FINAL BUDGET 2016/2017

Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
	Depmnt : 660 Upgrade MV Network - South NEW													
NEW	Trinley Manor Feeder 11k OHL P5	380,000										180,000	150,000	50,000
NEW	Glendale Alexa Farm Shyamoya Phase 2	380,000										180,000	150,000	50,000
NEW	Compensation Phase 5 (Jordan)	380,000										180,000	150,000	50,000
NEW	Compensation Phase 6 (Wise Main Feeder)	380,000										180,000	150,000	50,000
	SUB TOTAL	1,520,000	-	-	-	-	-	-	-	-	-	720,000	600,000	200,000
	Depmnt : 660 Upgrade of Substations - North													
423037	Upgrade of Substation Yard	200,000			200,000									
NEW	Repl & Grad Prot Relays 11K P3	380,000			380,000									
NEW	Upgrade 11KV Cable Form Hydrangea to Blikies Switchroom	1,200,000						450,000	350,000	400,000				
	SUB TOTAL	1,780,000	-	-	580,000		-	450,000	350,000	400,000	-	-	-	-
	Depmnt : 660 Upgrade of Substations - South Rollover													
423038	Upgrade of Substation Yard	200,000										200,000		
423977	Nkibongo Sub Replace 11kv Switchgear	1,804,454										1,804,454		
423978	Chakas Rock Sub 2 x Transformer Upgrade	382,672										382,672		
423991	HV/LMS	2,400,000										2,400,000		
	Depmnt : 660 Upgrade of Substations - South new													
NEW	Fire Station 11 KV Switch gear	1,600,000										1,600,000		
NEW	Upgrade 33kv Circuit Breaker Shakaskraal	150,000										150,000		
	SUB TOTAL	6,537,126	-	-	-	-	-	-	-	-	-	6,537,126	-	-
	Depmnt : 660 Bulk Supplies - North													
423980	Rebuild Sappi 33KV Overhead line Phase 1	325,539			325,539									
423981	Gizenga Substation	3,328,963			1,500,000	528,963	1,300,000							
NEW	Rebuild Sappi 33KV Overhead line Phase 2	1,700,000							1,700,000					
NEW	Replace 33KV Cable between Lavopiere and Industrial Sub	2,500,000								700,000	600,000			

TECHNICAL SERVICES- ELECTRICAL CAPITAL BUDGET

FINAL BUDGET 2016,2017														
Vote No.	Vote Description	Total	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
NEW	33kV Bus Coupler at POS	680,000											680,000	
	SUB TOTAL	8,534,502	-	-	1,825,539	528,963	1,300,000	-	1,700,000	700,000	600,000	1,200,000	680,000	-
	Depmnt : 660 Bulk Supplies - South													
NEW	New Dukuzu 132/33/11kV 80Mva Bulk	10,000,000									3,000,000	3,500,000	2,500,000	1,000,000
	SUB TOTAL	10,000,000	-	-	-	-	-	-	-	-	3,000,000	3,500,000	2,500,000	1,000,000
	Depmnt : 660 Electrification Projects													
423922	Groutville Priority 2 238 Units	2,000,000												
423933	w/1,3,21,25,27	4,671,037			1,671,037	2,000,000	1,000,000		1,500,000	500,000				
NEW	Kwadukuzu Inffis 2016/17	2,000,000											500,000	500,000
	SUB TOTAL	8,671,037	-	-	1,671,037	2,000,000	1,000,000	-	1,500,000	500,000	-	500,000	500,000	1,000,000
	TOTAL	56,587,380	-	-	5,736,438	4,406,963	4,471,995	722,000	8,542,958	7,330,000	6,200,000	12,697,126	4,280,000	2,200,000

SUMMARY SDBIP BUDGET 2016 / 2017

DEPARTMENT	TOTAL BUDGET	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
MUNICIPAL MANAGER	11,020,000	-	5,000,000	4,000,000	2,020,000	-	-	-	-	-	-	-	-
CORPORATE SERVICES	5,370,000	-	-	-	570,000	100,000	1,100,000	300,000	-	400,000	700,000	500,000	1,700,000
CORPORATE GOVERNANCE	600,000	-	-	50,000	120,000	-	-	-	-	-	-	-	430,000
FINANCE	1,660,000	-	-	-	10,000	200,000	200,000	-	-	450,000	500,000	200,000	100,000
EDP	6,890,000	-	-	270,000	640,000	580,000	450,000	250,000	350,000	450,000	700,000	900,000	2,300,000
MUNICIPAL SERVICES	34,072,500	-	2,000,000	2,732,000	3,219,500	4,028,000	2,350,000	800,000	-	750,000	1,300,000	1,550,000	15,343,000
TECHNICAL SERVICES	243,545,307	383,175	1,762,913	15,636,438	18,766,507	21,821,885	15,487,000	20,562,473	24,530,000	22,700,000	27,797,126	11,880,000	62,197,780
CIVIL	186,957,927	383,175	1,762,913	9,900,000	14,359,544	17,350,000	14,775,000	12,019,515	17,200,000	16,500,000	15,100,000	7,600,000	59,997,780
ELECTRICITY	56,587,380	-	-	5,736,438	4,406,963	4,471,895	722,000	8,542,958	7,330,000	6,200,000	12,697,126	4,280,000	2,200,000
TOTAL	303,157,807	383,175	8,762,913	22,688,438	25,346,007	26,729,895	19,597,000	21,912,473	24,880,000	24,750,000	30,997,126	15,030,000	82,070,780

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**2.12 CONTRACTS HAVING
FUTURE BUDGETARY
IMPLICATIONS**

CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The following contract imposes financial obligations on KDM beyond the duration of the MTRRF:

• DOLPHIN COAST WASTE MANAGEMENT

Operating Expenditure for the preceding years	156 957 254
Estimated Expenditure for the current year	21 483 500
Planned Expenditure for the budget year	22 211 791
Planned Expenditure for the outer years	47 880 846

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This organisation is contracted for the period of the MTRRF for refuse removal services. Dolphin Coast Waste Management attends to waste removal within KDM's jurisdiction, such as:

- White Goods (usual household appliances)
- Domestic Waste (general household waste produced on residential premises)
- Commercial Waste (excludes special refuse)
- Industrial Waste (light, medium and heavy industry)
- Garden Refuse (grass cuttings; hedge trimmings; etc)

The service delivery agreement with Dolphin Coast Waste Management is currently under monthly review and has no pre-determined expiry date.

2.13 CAPITAL EXPENDITURE DETAILS

MUNICIPAL MANAGER CAPITAL BUDGET

		FINAL BUDGET 2016,2017				INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2016,2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 613 Municipal Manager												
400034	Office Furniture		20,000		20,000		20,000		20,000		20,000		20,000
423203	Neighbourhood Grant Fund App.	11,000,000			11,000,000	6,867,000			6,867,000				
	SUB TOTAL	11,000,000	20,000	-	11,020,000	6,867,000	20,000	-	6,887,000		20,000	-	20,000
	TOTAL	11,000,000	20,000	-	11,020,000	6,867,000	20,000	-	6,887,000		20,000	-	20,000
					11,020,000				8,887,000				20,000

CORPORATE GOVERNANCE CAPITAL BUDGET

DRAFT BUDGET 2016,2017					INDICATIVE BUDGET 2017, 2018				INDICATIVE BUDGET 2018,2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 679 Public Participation												
400034	Furniture & Equipment		150,000		150,000		140,000		140,000		140,000		140,000
NEW	15 Seater Bus				-		450,000		450,000				
NEW	Double cab 4 x 4				-		500,000		500,000				
NEW	Audio Equipment				-		100,000		100,000				
	SUB TOTAL	-	150,000	-	150,000		1,180,000		1,180,000		140,000	-	140,000
	Depmnt : 680 Communication												
422017	Tools & Equipment		50,000		50,000		30,000		30,000		20,000		20,000
422669	Website Development		400,000		400,000								
	SUB TOTAL	-	450,000	-	450,000		30,000	-	30,000		20,000	-	20,000
	TOTAL	-	600,000	-	600,000		1,220,000		1,220,000		160,000	-	160,000
					600,000				1,220,000				160,000

CORPORATE SERVICES CAPITAL BUDGET

		FINAL BUDGET 2016,2017				INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 617 Human Resources												
400013	Office Furniture		40,000		40,000								
NEW	OHS Compliance Equipment		300,000		300,000								
	SUB TOTAL	-	340,000	-	340,000								
	Depmnt : 640 Administration												
400013	Office Furniture & Equipment		30,000		30,000								
422522	Airconditioner				-								
422718	Refurbishment of Civic Building				-								
NEW	Batho Pele - Branding Material		200,000		200,000								
	SUB TOTAL	-	230,000	-	230,000								
	Depmnt : 642 Council General												
400013	Council Furniture		100,000		100,000								
422782	Mayoral Vehicles		1,700,000		1,700,000								
	SUB TOTAL	-	1,800,000	-	1,800,000								
	Depmnt : 643 Information Technology												
414504	PC and Printer Upgrades		1,000,000		1,000,000		400,000		400,000		400,000		400,000
414507	Server Upgrade				-								
414508	Security Server Room				-								

CORPORATE SERVICES CAPITAL BUDGET

		FINAL BUDGET 2016,2017				INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
422026	Network Upgrade		300,000		300,000				-				-
461531	UPS				-				-				-
	NEW Wireless Radio's / Links		400,000		400,000				-				-
	NEW Disaster Recovery Site		600,000		600,000				-				-
	NEW Service Desk		100,000		100,000				-				-
	NEW Sharepoint		600,000		600,000				-				-
	SUB TOTAL	-	3,000,000	-	3,000,000	-	400,000	-	400,000	-	600,000	-	400,000
	TOTAL	-	5,370,000	-	5,370,000	-	400,000	-	400,000	-	400,000	-	400,000
					5,370,000				400,000				400,000
					-				-				-

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FINANCE CAPITAL BUDGET

		FINAL BUDGET 2016,2017				INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 636 Supply Chain Management												
410513	Renovations to Stores Building				-				-				-
422543	Furniture & Equipment		10,000		10,000				-				-
	SUB TOTAL	-	10,000	-	10,000	-	-	-	-	-	-	-	-
	Depmnt : 636 Budget & Treasury Office												
422017	Equipment		400,000		400,000				-				-
428024	Storage Container		-		-				-				-
422605	Renovations to Office Buildings		1,000,000		1,000,000				-				-
461961	Renovations to Expenditure Section		250,000		250,000				-				-
	SUB TOTAL	-	1,650,000	-	1,650,000	-	-	-	-	-	-	-	-
	TOTAL	-	1,660,000	-	1,660,000	-	-	-	-	-	-	-	-
					1,660,000				-				-

ECONOMIC DEVELOPMENT & PLANNING CAPITAL BUDGET

FINAL BUDGET 2016,2017						INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 615 Town Planning												
422644	Street Naming Signage		150,000		150,000		200,000		200,000		250,000		250,000
422700	Land Purchase Intermodal		500,000		500,000		1,500,000		1,500,000		3,000,000		3,000,000
422701	Bulk Filers		100,000		100,000		50,000		50,000		50,000		50,000
422702	Gis Implementation Equipment		50,000		50,000		30,000		30,000		20,000		20,000
422704	Furniture And Equipment		150,000		150,000		150,000		150,000		150,000		150,000
422756	Electr. Bldg Plans Filling Hw		250,000		250,000		75,000		75,000		50,000		50,000
461950	Salt Rock Parkhome		900,000		900,000		200,000		200,000				
	SUB TOTAL	-	2,100,000	-	2,100,000		2,250,000	-	2,250,000		3,520,000	-	3,520,000
	Depmnt : 616 Museum												
400013	Office Furniture		80,000		80,000								
461372	Airconditioner												
461373	Museum Subsidy		60,000		60,000								
NEW	Museum Artifacts		50,000		50,000		60,000		60,000		75,000		75,000
	SUB TOTAL	-	190,000	-	190,000		60,000		60,000		75,000		75,000
	Depmnt : 632 Housing												
409034	Furniture & Equipment	200,000			200,000	100,000			100,000	50,000			50,000
409038	Fencing Old Age Home Palisade		500,000		500,000		100,000		100,000	50,000			50,000
409040	Renovation Of Old Age Home												
409041	Shakaville Men's Hostel Renov												
409042	Tools & Equipment	15,000			15,000	15,000			15,000	75,000			75,000
409044	Airconditioner	50,000			50,000	50,000			50,000	50,000			50,000
414504	Pc & Printer Upgrades	120,000			120,000	50,000			50,000	60,000			60,000
414505	Renovation to Compounds		250,000		250,000								
414506	Sedan												

FINAL BUDGET 2016,2017					INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
439035	Shakaville Womens Hostel Renov				-				-				-
	SUB TOTAL	385,000	750,000	-	1,135,000	255,000	100,000	-	355,000	-	225,000	-	225,000
	Depmnt : 633 Community Hall												
422527	Fencing		300,000		300,000		200,000		200,000		100,000		100,000
422706	Halls Furniture		120,000		120,000		100,000		100,000		80,000		80,000
	New Security Gates		100,000		100,000								
	SUB TOTAL	-	520,000	-	520,000	-	300,000	-	300,000	-	180,000	-	180,000
	Depmnt : 641 LIBRARY												
422017	Tools and Equipment		5,000		5,000								
422527	Fencing				-				-				-
422711	Library Furniture		40,000		40,000								
422736	RFID Project				-				-				-
	SUB TOTAL	-	45,000	-	45,000	-		-	-	-		-	-
	Depmnt : 647 Local Development												
423193	Informal Trading Stalls		600,000		600,000		500,000		500,000		500,000		500,000
461542	Rehab of King Shaka Street												
461543	Led Centre Renovations		50,000		50,000		30,000		30,000		20,000		20,000
461544	IFA / Tongaat Development		2,000,000		2,000,000								
461545	Rehab/Urban Roads/Streets KDM												
461546	Beach Node Development												
NEW	Tourism Signage		250,000		250,000		150,000		150,000		100,000		100,000
NEW	Sedan Vehicle				-		150,000		150,000				
	SUB TOTAL	-	2,900,000	-	2,900,000	-	830,000	-	830,000	-	620,000	-	620,000
	TOTAL	385,000	6,505,000	-	6,890,000	255,000	3,485,000	-	3,740,000	-	4,620,000	-	4,620,000

FINAL BUDGET 2016,2017					INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
					6,890,000								
									3,750,000				4,620,000
					-				-				-

MUNICIPAL SERVICES CAPITAL BUDGET

Vote No.	Vote Description	FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				INDICATIVE BUDGET 2018/2019			
		Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 662 Executive Management Office												
461532	Furniture & Equipment		100,000		100,000		50,000		50,000		50,000		50,000
	SUB TOTAL		100,000		100,000		50,000		50,000		50,000		50,000
	Depmnt : 644 Parks and Gardens												
415013	Park Development												
415027	Benches		20,000		20,000		250,000		250,000		300,000		300,000
425640	Street Litter Bins		16,000		16,000		20,000		20,000		180,000		180,000
425643	Furniture & Equipment						20,000		20,000		100,000		100,000
425646	Parks Equipment		150,000		150,000		150,000		150,000		110,000		110,000
461417	Upgrade To Skateboard Park		200,000		200,000								
NEW	Park Plant & Equipment		50,000		50,000		30,000		30,000		50,000		50,000
NEW	Airconditioners		12,000		12,000								
NEW	2 X LDVs						500,000		500,000		200,000		200,000
NEW	1 X Car or half ton bakke						200,000		200,000		800,000		800,000
NEW	2 X new 8 ton trucks with mesh sides for loading						800,000		800,000		500,000		500,000
NEW	1 X 10 000 water tanker with vacuum pump and boom						500,000		500,000		500,000		500,000
NEW	1 X Cherry Picker or "sly jack" type attachment						500,000		500,000				
	SUB TOTAL		448,000		448,000		2,990,000		2,990,000		500,000		500,000
	Depmnt : 663 Refuse Removal												
400013	Furniture & Equipment		50,000		50,000								
422563	Drop Off Centre		200,000		200,000		20,000		20,000		20,000		20,000
428128	Shipping Containers												
428129	Recycling						50,000		50,000				
428144	Ships For Recycling Centre												
428150	1 X 6 / 8 Ton Truck												
428151	Ships												
428152	Waste Transfer Site												
NEW	Rehabilitation of Land Fill Site												
NEW	Street Litter Bins		70,000		70,000								
NEW	10 Ton Refuse Compactor Truck						500,000		500,000		500,000		500,000
NEW	Replacement of an existing bakke						250,000		250,000				
	SUB TOTAL		320,000		320,000		820,000		820,000		110,000		110,000

MUNICIPAL SERVICES - CAPITAL BUDGET

		FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				INDICATIVE BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 676 Sports and Recreation												
422675	Combo Courts (Cluster A)				-				-				-
422685	2 X Combo Courts		510,000		510,000				-				-
	SUB TOTAL		510,000	-	510,000		-	-	-				-
	Depmnt : 677 Upgrade of Sporting Facilities												
422682	Upgrade to Luthuli Sportfield & Basketball Court		1,000,000		1,000,000		200,000		200,000		200,000		200,000
422683	Upgrade to Sakhuxolo Sportfield		900,000		900,000				-				-
422684	Upgrade to Manto Sportfield		1,647,000		1,647,000				-				-
422686	Diediekloof Sportfield		400,000		400,000				-				-
422720	Resurf NBell & TCourts WRD19				-				-				-
NEW	1 x Combo Court		950,000		950,000								
NEW	Upgrade to Theunissen Road Park Phase 1		200,000		200,000								
NEW	Upgrade to Gifford Crescent Park		150,000		150,000								
	SUB TOTAL		5,247,000	-	5,247,000		200,000	-	200,000		200,000		200,000
	Depmnt : 678 Child Care Facilities												
NEW	2 x Creches		1,000,000		1,000,000				-				-
	SUB TOTAL		1,000,000	-	1,000,000		-	-	-				-
	Depmnt : 681 Marine Safety												
418519	Marine Safety Equipment		250,000		250,000		200,000		200,000		200,000		200,000
422034	Jet Ski				-				-				-
422653	Upgrade Beach Ablution Zinkwazi				-				-				-
422731	Upgrade Beach Ablution Salrock				-				-				-
422739	1 X 4 Ton Truck		108,000		108,000		100,000		100,000		100,000		100,000
422740	Beach Rescue Equipment		60,000		60,000		50,000		50,000		50,000		50,000
422741	Furniture				-				-				-
422742	2 X 4 LDV		1,150,000		1,150,000		200,000		200,000		200,000		200,000
422743	Upgrade to Beach Facilities				-				-				-
422744	Portable Lifeguard Tower				-				-				-
461960	3 x Quad Bikes		25,000		25,000				-				-
NEW	Topedo Boys												

MUNICIPAL SERVICES - CAPITAL BUDGET

FINAL BUDGET 2016/2017					INDICATIVE BUDGET 2017/2018					INDICATIVE BUDGET 2018/2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total	
NEW	Box Lines		15,000		15,000									
NEW	Throw Bags		16,000		16,000									
NEW	Trauma Bags		50,000		50,000									
NEW	Street Litter Bins		20,000		20,000									
NEW	Upgrade to Tidal pool and septic tank at Tirley Manor Beach		1,000,000		1,000,000									
NEW	4 X 4 Vehicles X 3/2 X Manuals/ 1 X Automatic		1,400,000		1,400,000									
NEW	Zinkwazi Office Upgrade		50,000		50,000									
	SUB TOTAL	-	4,142,000	-	4,142,000	-	550,000	-	550,000	-	510,000	-	510,000	
	Depmnt : 652 Cemetery													
440046	2 X New Cemetery				-				-				-	
440048	Macroburn Cremator				-				-				-	
440050	Walspruit Cemetery	8,800,000			8,800,000	15,000,000			15,000,000	5,012,012			5,012,012	
440051	Land Acquisition & Cemetery Development		10,000,000		10,000,000		4,000,000		4,000,000		80,000		80,000	
440052	Car Park				-				-				-	
440053	Crematorium Development		200,000		200,000		200,000		200,000		200,000		200,000	
440054	Fencing of Damell Cemetery				-				-				-	
440055	Renovation of Prayer room for old cemetery				-				-				-	
NEW	Crematorium Car Park		-		-				-				-	
	SUB TOTAL	8,800,000	10,200,000	-	19,000,000	15,000,000	4,200,000	-	19,200,000	5,012,012	9,280,000	-	15,292,012	
	Depmnt : 654 Traffic and Crime Prevention													
428145	Replace 1 Sedan				-				-				-	
428149	4 X 4 Vehicle				-				-				-	
	SUB TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	
	Depmnt : 655 Fire and Emergency													
420509	Emergency Equipment				-		200,000		200,000		500,000		200,000	
422026	Portable Radio				-				-				-	
428153	Office Furniture				-		80,000		80,000		50,000		50,000	
428100	2 x Digital Camera				-				-				-	
428157	Voice Logger				-				-				-	
NEW	New Fire Station				-				-		15,000,000		15,000,000	
	SUB TOTAL	-	-	-	-	-	280,000	-	280,000	-	15,530,000	-	15,530,000	

MUNICIPAL SERVICES CAPITAL BUDGET

		FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				INDICATIVE BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 656 Traffic & Crime Prevention												
428157	Sedans x 2				-		400,000		400,000		400,000		400,000
428158	CCTV Camera				-				-				-
428159	LDV Single Cab				-				-				-
428160	Alco Meters				-				-				-
428161	Steel Canopy				-				-				-
428162	Extension/Park Home-Crime Prev				-				-				-
428163	Portable Radios				-		160,000		160,000				-
428164	Sirens And Blue Lights				-				-				-
428165	Furniture & Equipment				-				-				-
422026	Network Upgrade				-				-				-
	Administration Bus				-				-				-
428166	Trailer x2 Road Marking				-				-				-
428167	Land Purchase: Community Safety Centre			1,686,000	1,686,000				-				-
428168	Upgrade to Salt Rock Municipal Building				-		250,000		250,000		250,000		250,000
428169	Upgrade of Storage Facility				-		150,000		150,000		150,000		150,000
NEW	Upgrade to Zinkwazi Municipal Building				-		250,000		250,000		250,000		250,000
NEW	Construction of a New Community Safety Centre				-		4,900,000		4,900,000		4,900,000		4,900,000
NEW	2X Sedans				-		400,000		400,000				-
NEW	2X trailers				-		100,000		100,000				-
NEW	2X generators		30,000		30,000				-				-
NEW	45X bullet proof vests		250,000		250,000				-				-
NEW	8 X Motor Vehicles				-		1,600,000		1,600,000				-
NEW	4 X Air conditioners		16,000		16,000				-				-
NEW	2 X Storage Containers		100,000		100,000				-				-
NEW	Beach Signage - Phase 1		200,000		200,000				-				-
					-				-				-
	SUB TOTAL	-	596,000	1,686,000	2,282,000	-	8,210,000	-	8,210,000	-	5,164,000	-	5,164,000
	Depmnt : 664 Disaster Management												
422716	4X4 Vehicle Branded & Fitted				-				-				-
428128	Container Storage				-				-				-
428153	Office Equipment				-				-				-
					-				-				-
	SUB TOTAL	-	-	-	-	-	-	-	-	-	-	-	-
	Depmnt : XXX Law Enforcement Administration												

		FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				INDICATIVE BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
NEW	1 X LDV				-		200,000		200,000				
NEW	22 Seater Bus				-		920,000		920,000				
NEW	Parkhome extension - LEA Records		200,000		200,000				-				
NEW	4 X Desk		6,000		6,000				-				
NEW	4 X High Back Chairs		6,000		6,000				-				
NEW	8 X Scanner		40,000		40,000				-				
NEW	Money Counting Machine		50,000		50,000				-				
			302,000	-	302,000		1,120,000	-	1,120,000				
TOTAL		8,800,000	23,086,500	2,186,000	34,072,500	16,000,000	18,800,000	-	33,600,000	8,612,812	31,102,000	-	38,432,812
					34,072,500				33,600,000				38,432,812

TECHNICAL SERVICES - CIVIL/CAPITAL BUDGET

		FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				RECOGNISED BUDGET 2017/2018			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 646 Civil Engineering Admin												
461279	Office Furniture				-								
400013	Furniture & Equipment		50,000		50,000		50,000		50,000		50,000		50,000
461863	Park Homes X1 (Mobile Office)				-				-				-
461865	Engineering Equipment		200,000		200,000		150,000		150,000		150,000		150,000
461867	2 x Crew Cabs				-		1,000,000		1,000,000				-
461898	1 LDV Bakkie				-				-				-
461899	Sedan				-		150,000		150,000				-
	SUB TOTAL		250,000	-	250,000		1,350,000	-	1,350,000		210,000	-	210,000
	Depmnt : 646 Roads Infrastructure												
423775	Bailito Road P445				-				-				-
481426	Wooden Bridges (27 Wards)		1,900,000		1,900,000		3,000,000		3,000,000		3,000,000		3,000,000
481527	Bird Park Bridge Replacement		4,900,000		4,900,000		2,000,000		2,000,000		2,000,000		2,000,000
461528	Traffic calming measures		1,000,000		1,000,000		10,000,000		10,000,000		10,000,000		10,000,000
461529	Rehabilitation of Roads		7,000,000		7,000,000				-				-
NEW	Commuter Shelters		500,000		500,000				-				-
	SUB TOTAL		15,300,000	-	15,300,000		15,000,000	-	15,000,000		15,000,000	-	15,000,000
	Depmnt : 646 Roads Master Plan Projects												
461606	Ward 6-Road Construction		2,500,000		2,500,000				-				-
461619	CBD Stormwater Analysis		1,800,000		1,800,000				-				-
461622	Ward22-Cohlyn Dr Rehabilitation		6,600,000		6,600,000				-				-
461957	W22 Damal Road (Palm Grove/Mill Rd)		1,500,000		1,500,000				-				-
NEW	Chief Albert Lutulu Road Rehab.		9,500,000		9,500,000		13,000,000		13,000,000		13,000,000		13,000,000
	SUB TOTAL		21,900,000	-	21,900,000		13,000,000	-	13,000,000		13,000,000	-	13,000,000
	Depmnt : 646 Civic Buildings												
461851	Bailito Civic BLDG Renovation		6,000,000		6,000,000		13,000,000		13,000,000				-
461892	Kwadukuzana CBD Abution		150,000		150,000		1,700,000		1,700,000				-

TECHNICAL SERVICES - CIVIL CAPITAL BUDGET

		FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				INDICATIVE BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
NEW	Lavopiere Yard Improvements		3,050,000		3,050,000								
	SUB TOTAL	-	9,200,000	-	9,200,000	-	14,700,000	-	14,700,000	-	-	-	-
	Depmnt : 646 Ablutions												
461507	KwaDukuza Cbd Bus/Taxi Rank Sidewalks		500,000		500,000				-				-
461895	Baillo Taxi Rank		500,000		500,000				-				-
461841	Mhali Taxi Rank		250,000		250,000	200,000			200,000	4,000,000			4,000,000
	SUB TOTAL	-	1,250,000	-	1,250,000	200,000	-	-	200,000	4,000,000	-	-	4,000,000
	Depmnt : 646 Storm-water Projects												
461893	Stormwater Infrastructure Improvements		500,000		500,000		1,500,000		1,500,000	2,800,000			2,800,000
	SUB TOTAL	-	500,000	-	500,000	-	1,500,000	-	1,500,000	2,800,000			2,800,000
	Depmnt : 646 Sports Fields												
461508	Norco Sportsfield	3,800,000	1,000,000		4,800,000				-				-
461509	Rocky Park Recreation		250,000		250,000				-				-
461901	Sharanya Sport Complex	8,300,000			8,300,000				-				-
461905	Ete Sports field		4,760,000		4,760,000				-				-
461914	Soweto Sport field (Changerooms & Ablutions)				-	1,500,000			1,500,000				
461915	Glenhills Adult Sports Facilities				-	1,500,000			1,500,000				
461916	Chris Hani Sport field				-	2,000,000			2,000,000				
461917	Indoor Sport Facilities				-	1,500,000			1,500,000				
461947	Play Park				-				-				-
	SUB TOTAL	11,900,000	6,010,000	-	17,910,000	8,500,000	-	-	6,500,000				
	Depmnt : 646 Community Halls												
461341	Mgijimbe Community Hall				-				-				-
461511	Ohlanga Community Hall				-				-				-
461514	Community Hall Ward 17		1,400,000		1,400,000				-				-
461899	Mbozamo Community Hall	1,400,000			1,400,000				-				-

FINAL BUDGET 2016/2017					INDICATIVE BUDGET 2017/2018					INDICATIVE BUDGET 2018/2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total	
461902	Etefe Internal Roads	3,369,515	8,610,485		11,980,000									
461903	Madakani Access	3,500,000			3,500,000	8,023,119			8,023,119				8,023,119	
461904	Lindelani Access Road		600,000		600,000		5,900,000		5,900,000					
461906	Myakane Access Roads & Storm water													
461907	Molebeni Access Roads & Storm water													
461909	Shanger Heights Roads Improvement		9,000,000		9,000,000									
461910	Mgwaba to Nyongo & Koshi Roads													
461912	Nkodongo Road Improvement													
461913	Ward 11/ Ward 10 Link Road Upgrading													
461918	Gaugwe Road						4,200,000		4,200,000					
461919	Sokesimbone Phase 2 to Link San Suci						6,698,700		6,698,700					
461920	Ward 4 Internal Roads						1,000,000		1,000,000					
461921	Lindelani Roads Upgrading		600,000		600,000		2,000,000		2,000,000					
461922	Grouville Surface Roads & Stormwater					2,173,331	7,890,000		7,990,000					
461923	Mahambenhuda Bridge					1,500,000	1,826,869		4,000,000					
461924	Giedhow South Link		1,690,300		1,690,300	3,000,000	250,000		3,250,000	2,000,000			2,000,000	
461925	Maphithiza Roads Upgrading					2,000,000	200,000		2,200,000	2,000,000			2,000,000	
461926	Hlalanxosi Access Road		8,040,000		8,040,000		3,669,181		3,669,181	4,000,000			4,000,000	
461927	Major Storm water Upgrading (Floods) - Turkey		7,230,000		7,230,000									
461928	Diphini Access Road		5,520,000		5,520,000	2,000,000			2,000,000	2,000,000			2,000,000	
461942	Myathikazi Bridge					150,000			150,000	1,500,000			1,500,000	
461943	Extension of Roads					250,000			250,000	4,000,000			4,000,000	
461944	Mkhambeni to Nyongo					200,000			200,000	3,500,000			3,500,000	
461945	Nskeni Road					200,000			200,000	2,350,000			2,350,000	
461946	Shakashaka Storm water		4,000,000		4,000,000					1,746,182			1,746,182	
NEW	Shekenbula Access Road		7,980,000		7,980,000									
Depmit : 646 Creches														
461911	Steve Biko Creche													
461931	Noroti Moulh Creche					450,000			450,000	2,700,000			2,700,000	
461932	Etefe Creche		2,700,000		2,700,000	450,000			450,000	2,700,000			2,700,000	
461933	Lindelani Creche		2,700,000		2,700,000	450,000			450,000	2,700,000			2,700,000	
461934	Khatalukwe Creche					450,000			450,000	2,700,000			2,700,000	
461935	Melville Creche					450,000			450,000	2,700,000			2,700,000	
461936	Ntshawini Creche					450,000			450,000	2,700,000			2,700,000	
461948	Direontleni Creche					2,700,000			2,700,000					
SUB TOTAL		24,783,500	88,044,427	-	112,807,927	24,896,450	33,934,550	-	58,831,000	42,483,038	5,706,702		48,189,740	

TECHNICAL SERVICES- CIVIL CAPITAL BUDGET													
		FINAL BUDGET 2016/2017				INDICATIVE BUDGET 2017/2018				INDICATIVE BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total

TECHNICAL SERVICES - ELECTRICAL CAPITAL BUDGET

		FINAL BUDGET 2016,2017				INDICATIVE BUDGET 2017,2018				INDICATIVE BUDGET 2018,2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
	Depmnt : 658 Mechanical Engineering												
400013	Furniture & Equipment		18,000		18,000		25,000		25,000		26,000		26,000
400027	Tools And Equipment		20,000		20,000		25,000		25,000		39,000		39,000
422043	Repairs To Workshop Roof				-								
422044	Canopy Roof over Washbay		300,000		300,000								
	SUB TOTAL		338,000	-	338,000		50,000		50,000		50,000		50,000
	Depmnt : 659 Electrical Admin												
400027	Tools And Equipment		100,000		100,000		65,000		65,000		76,000		76,000
400034	Office Furniture		60,000		60,000								
422537	UPS System Control Room				-		200,000		200,000				
422723	Electrical Recording Equipment		200,000		200,000								
422725	Airconditioner				-								
461378	Radios / Repeater		1,100,000		1,100,000								
461472	Safety Equip Fes Ppe Portable		90,000		90,000								
461476	Medium Voltage Auto Reclosers 36kV x 1 (Sappi)				-								
461477	Medium Voltage Auto Reclosers 22kV x 2				-								
461478	Spare 10 MVA 33/11KV Transformer and NER		3,000,000		3,000,000								
461480	Electrical Fleet		1,400,000		1,400,000								
NEW	Cable Locating Machine		60,000		60,000								
NEW	Cable Spiking Gun X 2		60,000		60,000								
	SUB TOTAL		6,070,000	-	6,070,000		285,000		285,000		76,000		76,000
	Depmnt : 660 Street Lighting-Roll Over												
423840	Streetlights Cluster A		53,601		53,601								
423841	Streetlights Cluster B		51,610		51,610								
423845	Streetlights Cluster F		75,082		75,082								
423898	Streetlights(Cluster A) 100SL		461,997		461,997								
423899	Streetlights (Cluster B) 37SL		147,185		147,185								
423900	Streetlights (Cluster C) 100SL		124,795		124,795								
423901	Streetlights (Cluster D) 100SL		124,798		124,798								
423902	Streetlights (Cluster E) 100SL		124,795		124,795								

TECHNICAL SERVICES - BUDGET

[illegible]

TECHNICAL SERVICES - ELECTRICAL CAPITAL BUDGET

FINAL BUDGET 2016/2017						INDICATIVE BUDGET 2017/2018						INDICATIVE BUDGET 2018/2019					
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total				
NEW	Sandra Road Phase 4		350,000		350,000		385,000		385,000		423,500		423,500				
NEW	Shakhshead Network upgrade investigation (LT)		200,000		200,000		220,000		220,000		242,000		242,000				
	SUB TOTAL		550,000		550,000		605,000		605,000		665,500		665,500				
	Depmnt : 660 Upgrade MV Network - North Rollover																
423910	De Chamroy To Malende Feeder				-				-				-				
423936	Kearsney/Dendethu Feeder (P4)				-				-				-				
423937	Grootville Feeders (Phase 5)				-				-				-				
423938	New G Line - Overhead P4				-				-				-				
423939	Bidale Beach Reconstr. OHL P4				-				-				-				
423940	Tredale Lot 16 Line (P4)				-				-				-				
423941	Doesberg/Lindelani Feeder P4				-				-				-				
423942	Kearsney /Mandalay				-				-				-				
423961	Charniffy / Syambezal Phase 2				-				-				-				
423962	Dendethu Phase 4		94,180		94,180		89,346		89,346		90,123		90,123				
423963	Doesburg Lot 11		89,346		89,346		90,123		90,123		89,623		89,623				
423964	Kearsney Shannon Farm Phase 1		90,123		90,123		89,623		89,623		90,063		90,063				
423965	Grootville Hangoes Phase 1		89,623		89,623		89,623		89,623		89,682		89,682				
423966	Grootville Charfordale Phase 1		90,063		90,063		89,682		89,682		109,741		109,741				
423967	Fawsley Park Phase 4		89,682		89,682		109,741		109,741		380,000		380,000				
423968	Townview MV Cable Phase 1		109,741		109,741												
423969	Townview 500 KVA Mini Sub		380,000		380,000												
423970	Cato Street 500KVA Mini Sub & Demolition of old building				-				-				-				
	SUB TOTAL		1,032,958		1,032,958												
	Depmnt : 660 Upgrade MV Network - North NEW																
NEW	Doesberg/Lindelani Feeder P5		380,000		380,000		418,800		418,800		458,800		458,800				
NEW	Princes Grant Main 4 way Ring Main unit		400,000		400,000		440,000		440,000		489,000		489,000				
NEW	Blythedale Main 4 way Ring Main unit		380,000		380,000		418,000		418,000		458,800		458,800				
NEW	Dendethu Phase 5 (Ocean Lodge)		380,000		380,000		418,000		418,000		458,800		458,800				
NEW	Doesburg Lot 11 Phase 2		380,000		380,000		418,000		418,000		458,800		458,800				
NEW	Kearsney Hospital Phase 1		380,000		380,000		418,000		418,000		458,800		458,800				
NEW	Grootville Hangoes Phase 2		380,000		380,000		418,800		418,800		458,800		458,800				

TECHNICAL SERVICES- ELECTRICAL/CAPITAL BUDGET

FINAL BUDGET 2016/2017					INDICATIVE BUDGET 2017/2018					INDICATIVE BUDGET 2018/2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total	
New	Grootville Dube Village Phase 1		380,000		380,000		418,800		418,800		459,800		459,800	
New	Old Byrnedale Feeder Upgrade 11kV Cable		140,000		140,000		154,600		154,000		169,400		169,400	
New	Sewerage Works 4 way Ring Main Unit		100,000		100,000		110,000		110,000		121,000		121,000	
New	Nishawini Nevas Areas Relocate Pole Mounted transformers				-								-	
	SUB TOTAL		3,300,000	-	3,300,000		3,650,000	-	3,650,000		3,993,000	-	3,993,000	
	Depmnt : 660 Upgrade MV Network - South Roll Over													
423924	Mains Upgrade Shakaskraal (P3)				-								-	
423945	Crantbrook-Reconst. 11kV-OHL P4				-								-	
423946	Tinley Manor Feeder 11k OHL P4				-								-	
423949	Upgr. 11kV Glendale/SlevinSlev				-								-	
423950	Close 11kV Ring Feed Unit Metho				-								-	
423971	Estate Feeder Phase 1		95,455		95,455								-	
423972	Millions Feeder 150mm/Alu		61,019		61,019								-	
423973	Glendale Alexa Farm Shiyamoya		90,862		90,862								-	
423974	Compensation Phase 3		90,795		90,795								-	
423975	Compensation Phase 4		88,703		88,703								-	
423976	Shakas Inland		89,735		89,735								-	
	SUB TOTAL		516,569	-	516,569			-				-		
	Depmnt : 660 Upgrade MV Network - South NEW													
NEW	Tinley Manor Feeder 11k OHL P5		380,000		380,000		418,000		418,000		459,800		459,800	
NEW	Glendale Alexa Farm Shiyamoya Phase 2		380,000		380,000		418,800		418,800		459,800		459,800	
NEW	Compensation Phase 5 (Jordan)		380,000		380,000		418,000		418,000		459,800		459,800	
NEW	Compensation Phase 6 (Wise Main Feeder)		380,000		380,000		418,800		418,800		459,800		459,800	
	SUB TOTAL		1,520,000	-	1,520,000		1,672,000	-	1,672,000		1,859,200	-	1,859,200	
	Depmnt : 660 Upgrade of Substations - North													
423937	Upgrade of Substation Yard		200,000		200,000		200,000		200,000		200,000		200,000	
423915	Repl & Grad Prot Relays 11k P2				-								-	
423951	KDM CBD 11kV Secondary Cable r				-								-	

FINAL BUDGET 2016,2017					INDICATIVE BUDGET 2017,2018					INDICATIVE BUDGET 2018,2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total	
423952	KDM CBD 11kV Second cable ring				-				-				-	
NEW	Repl & Grad Prot Relays 11K P3		380,000		380,000				-				-	
NEW	Upgrade 11KV Cable Form Hydrangea to Bikes Switchroom		1,200,000		1,200,000									
	SUB TOTAL				1,780,000		200,000		200,000		200,000		200,000	
	Depmnt : 660 Upgrade of Substations - South Rollover													
423038	Upgrade of Substation Yard		200,000		200,000		200,000		200,000		200,000		200,000	
423953	Repl. 5 Way 11kv RMU-Rope Fact				-				-				-	
423977	Nkxongo Sub Replace 11kv Switchgear		1,804,454		1,804,454				-				-	
423978	Chakas Rock Sub 2 x Transformer Upgrade		382,672		382,672				-				-	
423979	Shakaskraal Sub Refurbish NEH		-		-				-				-	
423991	HMLMS		2,400,000		2,400,000									
	Depmnt : 660 Upgrade of Substations - South new													
NEW	Fire Station 11 KV Switch gear		1,600,000		1,600,000									
NEW	Upgrade 33kv Circuit Breaker Shakaskraal		150,000		150,000									
	SUB TOTAL				6,537,126		200,000		200,000		200,000		200,000	
	Depmnt : 660 Bulk Supplies - North													
423727	Grouit/III Pr1 Substa Expans Ne				-				-				-	
423980	Rebuild Sappi 33kV Overhead line Phase 1		325,539		325,539				-				-	
423981	Gizenya Substation	3,328,963			3,328,963		1,670,000		1,670,000		2,057,000		2,057,000	
NEW	Rebuild Sappi 33kV Overhead line Phase 2		1,700,000		1,700,000				-				-	
NEW	Replace 33kV Cable between Layopiere and Industrial Sub		2,500,000		2,500,000				-				-	
NEW	NEW 33kV Bus Coupler at POS		680,000		680,000				-				-	
	SUB TOTAL				5,205,539		1,670,000		1,670,000		2,057,000		2,057,000	
	Depmnt : 660 Bulk Supplies - South													
423731	Dukuza 33/11 KV Sub				-				-				-	
423818	Dukuza 132/33kV 2X 80Mva Bulk				-				-				-	
423832	Sheffield 33kV Cable Project				-				-				-	

FINAL BUDGET 2016,2017					INDICATIVE BUDGET 2017,2018					INDICATIVE BUDGET 2018,2019				
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total	
423952	KDM CBD 11kV Second cable ring				-				-				-	
NEW	Repl & Grad Prot Relays 11K P3		380,000		380,000				-				-	
NEW	Upgrade 11kV Cable Form Hydrangea to Bikes Switchroom		1,200,000		1,200,000									
	SUB TOTAL				1,780,000		200,000		200,000		200,000		200,000	
	Depmnt : 660 Upgrade of Substations - South Rollover													
423038	Upgrade of Substation Yard		200,000		200,000		200,000		200,000		200,000		200,000	
423953	Repl. 5 Way 11kv RMU-Rope Fact				-				-				-	
423977	Nkxongo Sub Replace 11kv Switchgear		1,804,454		1,804,454				-				-	
423978	Chakas Rock Sub 2 x Transformer Upgrade		382,672		382,672				-				-	
423979	Shakaskraal Sub Refurbish NEH		-		-				-				-	
423991	HMLMS		2,400,000		2,400,000									
	Depmnt : 660 Upgrade of Substations - South new													
NEW	Fire Station 11 KV Switch gear		1,600,000		1,600,000									
NEW	Upgrade 33kv Circuit Breaker Shakaskraal		150,000		150,000									
	SUB TOTAL				6,537,126		200,000		200,000		200,000		200,000	
	Depmnt : 660 Bulk Supplies - North													
423727	Grouitvill Pr1 Substa Expans Ne				-				-				-	
423980	Rebuild Sappi 33kV Overhead line Phase 1		325,539		325,539				-				-	
423981	Gizenya Substation	3,328,963			3,328,963		1,670,000		1,670,000		2,057,000		2,057,000	
NEW	Rebuild Sappi 33kV Overhead line Phase 2		1,700,000		1,700,000				-				-	
NEW	Replace 33kV Cable between Layopiere and Industrial Sub		2,500,000		2,500,000				-				-	
NEW	NEW 33kV Bus Coupler at POS		680,000		680,000				-				-	
	SUB TOTAL				5,205,539		1,670,000		1,670,000		2,057,000		2,057,000	
	Depmnt : 660 Bulk Supplies - South													
423731	Dukuza 33/11 KV Sub				-				-				-	
423818	Dukuza 132/33kV 2X 80Mva Bulk				-				-				-	
423832	Sheffield 33kV Cable Project				-				-				-	

		FINAL BUDGET 2016/2017				PROPOSED BUDGET 2017/2018				PROPOSED BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
NEW	Relocate 33kV OHL Ashton College		10,000,000		10,000,000								-
NEW	New Dukuzza 132/33/1kv 80Mva Bulk												
SUB TOTAL		-	10,000,000	-	10,000,000	-	-	-	-	-	-	-	-
	Depmnt : 660 Electrification Projects												
423891	Kwadukuza Infillis				-				-				-
423922	Grootville Priority 2 238 Units	2,000,000			2,000,000								-
423923	Grootville Priority 5 238 Units				-								-
423933	w/ 3,21,25,27	4,671,037			4,671,037	13,000,000			13,000,000	18,000,000			18,000,000
423954	Rocky Park				-								-
NEW	Kwadukuza Infillis 2016/17		2,000,000		2,000,000		2,200,000		2,200,000		2,420,000		2,420,000
SUB TOTAL		6,671,037	2,000,000	-	8,671,037	13,000,000	22,000,000	-	15,200,000	18,000,000	2,420,000	-	12,420,000
TOTAL		10,000,000	46,587,380	-	56,587,380	13,000,000	16,784,000	-	29,784,000	18,000,000	16,173,998	-	28,173,998
									29,784,000				28,173,900

		FINAL BUDGET 2016/2017				PROPOSED BUDGET 2017/2018				PROPOSED BUDGET 2018/2019			
Vote No.	Vote Description	Grants	Council	Loans	Total	Grants	Council	Loans	Total	Grants	Council	Loans	Total
NEW	Relocate 33kV OHL Ashton College		10,000,000		10,000,000								-
NEW	New Dukuzza 132/33/1KV 80MVA Bulk												
SUB TOTAL		-	10,000,000	-	10,000,000	-	-	-	-	-	-	-	-
	Depmnt : 660 Electrification Projects												
423891	Kwadukuza Infillis				-				-				-
423922	Grootville Priority 2 238 Units	2,000,000			2,000,000								-
423923	Grootville Priority 5 238 Units				-								-
423933	w/ 3,21,25,27	4,671,037			4,671,037	13,000,000			13,000,000	18,000,000			18,000,000
423954	Rocky Park				-								-
NEW	Kwadukuza Infillis 2016/17		2,000,000		2,000,000		2,200,000		2,200,000		2,420,000		2,420,000
SUB TOTAL		6,671,037	2,000,000	-	8,671,037	13,000,000	22,000,000	-	15,200,000	18,000,000	2,420,000	-	12,420,000
TOTAL		10,000,000	46,587,380	-	56,587,380	13,000,000	16,784,000	-	29,784,000	18,000,000	16,173,998	-	28,173,998
									29,784,000				28,173,900

SUMMARY CAPITAL BUDGET 2016/2017					
DEPARTMENT	TOTAL BUDGET	GRANTS	COUNCIL	LOANS	% per dept.
MUNICIPAL MANAGER	11,020,000	11,000,000	20,000	-	3.64%
CORPORATE SERVICES	5,370,000	-	5,370,000	-	1.77%
CORPORATE GOVERNANCE	600,000	-	600,000	-	0.20%
FINANCE	1,660,000	-	1,660,000	-	0.55%
EDP	6,890,000	385,000	6,505,000	-	2.27%
MUNICIPAL SERVICES	34,072,500	8,800,000	23,086,500	2,186,000	11.24%
TECHNICAL SERVICES	243,545,307	48,063,500	195,481,807	-	
CIVIL	186,957,927	38,063,500	148,894,427	-	61.67%
ELECTRICITY	56,587,380	10,000,000	46,587,380	-	18.67%
TOTAL	303,157,807	68,248,500	232,723,307	2,186,000	100.00%

SUMMARY CAPITAL BUDGET 2017 / 2018				
DEPARTMENT	TOTAL BUDGET	GRANTS	COUNCIL	LOANS
MUNICIPAL MANAGER	8,887,000	8,867,000	20,000	-
CORPORATE SERVICES	400,000	-	400,000	-
CORPORATE GOVERNANCE	1,220,000	-	1,220,000	-
FINANCE	-	-	-	-
EDP	3,750,000	255,000	3,495,000	-
MUNICIPAL SERVICES	33,600,000	15,000,000	18,600,000	-
TECHNICAL SERVICES	151,033,680	48,246,450	102,787,230	-
CIVIL	121,269,680	35,246,450	86,023,230	-
ELECTRICITY	29,764,000	13,000,000	16,764,000	-
TOTAL	198,890,680	72,368,450	126,522,230	-

SUMMARY CAPITAL BUDGET 2018 / 2019				
DEPARTMENT	TOTAL BUDGET	GRANTS	COUNCIL	LOANS
MUNICIPAL MANAGER	20,000	-	20,000	-
CORPORATE SERVICES	400,000	-	400,000	-
CORPORATE GOVERNANCE	160,000	-	160,000	-
FINANCE	-	-	-	-
EDP	4,620,000	-	4,620,000	-
MUNICIPAL SERVICES	38,432,812	6,612,812	31,820,000	-
TECHNICAL SERVICES	146,758,900	56,453,238	90,305,662	-
CIVIL	118,585,000	46,453,238	72,131,762	-
ELECTRICITY	28,173,900	10,000,000	18,173,900	-
TOTAL	190,391,712	63,066,050	127,325,662	-

2.14 LEGISLATION COMPLIANCE STATUS

LEGISLATION COMPLIANCE STATUS

KDM carries out its daily, monthly and annual tasks and duties in full compliance with all relevant legislation, which includes:

1. The Constitution 1996 (Act No. 108 of 1996)
2. The Local Government: Transition Act 1993 (Act No. 209 of 1993)
3. The MSA
4. The MFMA
5. The Municipal Structures Act 1998 (Act No. 117 of 1998)
6. Municipal Budget & Reporting Regulations issued by NT
7. MFMA Circulars published by NT
8. Government Gazettes

KDM is classified as a high capacity Municipality, in terms of the MFMA, and has made significant progress in implementation of the MFMA. KDM is successfully complying with all MFMA requirements in terms of the DoRA; Asset Management Regulations; Minimum Competency Levels of municipal officials and the MPRA.

IDP

The 2016/2017 IDP review process is currently underway. All comments made by the community and key stakeholders are considered in reviewing the IDP.

ANNUAL REPORT

The 2014/2015 AFS are fully GRAP-compliant, and an unqualified audit opinion was received from the Auditor-General.

AUDIT COMMITTEE

An Audit Committee has been established and comprises of three members.

The Audit Committee's work is guided and regulated by an Audit Committee Charter, which was ratified by Council.

BUDGET AND TREASURY OFFICE

As required by the MFMA and NT, a BTO has been set up.

IN-YEAR REPORTING

Several reports are to be submitted throughout the municipal year. Reports are submitted, in accordance with the deadlines and rules set by the MFMA and other legislation, to Statistics SA; NT; PT; Council; MANCO and EXCO respectively.

INTERNSHIP PROGRAMMES

The municipality encourages local youth development and has an internship programme in place.

2.15 OTHER SUPPORTING DOCUMENTATION

[illegible]

Economic development	How many economic development projects are in market place?	The industry will continue to develop and expand its base of clients.	In past 6 months, has your company been able to attract new business from other markets?	Does the local market place offer a competitive environment for your business or product?	Are customers located in a professional and business manner? (Yes/no)

The Municipal Manager
Kwa Duku Municipality
P.O. Box 72
Stanger 4290
Dear Sir/Madam,

Tariff increase in Rates
The following organisations support the objection to your tariff increase of 6% on rates, mainly the danger to your town etc etc

20.04.2016

You will realise that every 4 (four) years all the properties are revalued for the purposes of rates according to section 49 of the Municipal Property Rates Act. This was last done in 2015. We realise that the rates per say did not increase but since the property values increased - in some cases the valuations were very high, the rates automatically went up.

However, we do commend you and your council to have increased rates renewal by 6% and electricity by 7.64%. You must be applauded. I presume your basic change will not increase.

You will realise that the consumers are facing tough economic conditions. There has been increase in fuel and toll fees. Hoping that you and your council will allow a 0% increase in rates.

Yours faithfully,

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The Municipal Manager
Kua Daluys Municipality
P.O. Box 72
Stanger 490
Dear Sir/Madam,

29.04.2016

municipal m @ kudalungs.gov.za

Tariff increase in Rates Please be advised that I

~~The following organisations support the objection~~
~~to your tariff increase of 6% on rates, making the stanger~~
~~Business person etc etc~~

You will realise that every 4 (four) years all the properties
are revalued, i.e. the value of the properties is revalued according to year 99
You will realise that the council are
facing tough economic conditions. There has been increase in
costs, fuel and all the council
hoping that you and your council will
allow a 0% increase in rates.

Yours faithfully,

P.H. MATHEMAT

P.O. Box 499

Stanger 490

Tel 032 5511316 / 072 4352423



KwaDukuza Municipality
 Department:
 FINANCE
 Province of KwaZulu-Natal

Enquiries	Khoza Sandile	Telephone	032 437 5564	Postal Address	Isikhwama Seposi	PO Box 72	KwaDukuza	4450	17 May 2016
Imobuzo		Ucingo		Pos Adres					
Navrae		Telefoon							
Reference		Fax		Date					
Inkombe		iFeksi		Usuku					
Verwysing		Faks		Datum					

PH Maharaj
PO Box 499
Stanger

4450

Dear Sir /Madam

TARIFF INCREASES IN RATES.

This letter serves as a response to your letter dated 29 April 2016 and you are advised as follows:

The increase in rates of 6% is below the inflation rate which is around 7% and you are further advised that rates are required to fund expenditure for service delivery to the community and are factored at the inflation rate. A fair portion of the expenditure budget includes employee costs at an anticipated increase of 6-8%, the funding of capital projects through internal funding, and other expenditure items that are budgeted for at current economic rates and conditions. Prudent expenditure management allows for the efficient completion of programmes whilst ensuring smooth day to day administration and support services of the municipality.

You are regrettably informed that your request for a 0% increase in rates cannot be considered by our Council.

Yours faithfully

S M RAJCOOMAR

CHIEF FINANCIAL OFFICER

From: Shamir Rajcoomar
Sent: Wednesday, May 11, 2016 9:44 AM
To: Adil Nunkumar; Rashina Singh; Dan Pillay
Subject: FW: Comments and Concerns on the 2016/17budget

Hi Colleagues

Please begin responses to the comments received below.

Regards

S.M. Rajcoomar
 Chief Financial Officer
 KwaDukuza Municipality
 083 633 5790

-----Original Message-----
From: municipal Manager
Sent: 11 May 2016 09:19 AM
To: Shamir Rajcoomar
Subject: FW: Comments and Concerns on the 2016/17budget

-----Original Message-----
From: Hypersing [mailto:hypersing@telkomsa.net]
Sent: 10 May 2016 11:08 PM
To: municipal Manager
Subject: Comments and Concerns on the 2016/17budget

Having perused through the budget the following observations were made:

1. Employee cost is not keeping in line with slow increase in revenue base a jump from R294 m in the previous year to R328m roughly an increase of 11.5%. Only critical post should be filled that add value to basic service delivery rather than a bloated unproductive workforce.
2. Debt impairment in the current budget is understated. It seems though there is miscalculation or capturing error. It cannot be correct in the previous year provision of R35m was made and in the 2016/17 budget it is the same actually it should have been doubled due to the current realities of high unemployment and low economic growth.
3. Ward Committee stipend is also miscalculated it should be R3.4m and not R4.3m taking into account 29 wards with 290 ward committee members.
4. Free services for the indigent in 2014/15 was R45m and now R82m. It is clear more and more people are pushed into poverty caused by the slowdown of our economy. However there needs to be an audit on the indigent register. Many that are able and earning above the threshold of R3500 could well be exploiting our system.
5. The budget is not aligned to cost containment measures according to circular 82 of the MFMA that calls for radical cuts on wasteful expenditure.
6. Public Participation budget in 2014/15 was 4.2 m now it is R8.3m doubled in two years we need to cut the trills expensive catering , artists , and many other unnecessary expenses including beach parties must be stopped or reviewed.
7. Collection costs totalling R 4.6m we believe that we need to build capacity in house in line with the circular. With that type of allocation it is possible we must try instead of taking the easy way out. We must make a start and grow the department.

8. Advertising although it should have been on rotational basis we regularly see the same adverts in almost all the local newspaper. Is this not waste of money. Let's be prudent in spending the little we have and improve service delivery.

9. Developers incentive should be retained on rates over five year period. We need to draw investors in our region grow our local economy and create jobs that is so desperately needed.

The current proposal does not make provision for incentives and phase out those already in the system.

9. While some explanation is given why we cannot allocate 40% of our budget on maintenance of our infrastructure it must be borne in mind the more we delay the more it will cost us fully understanding the challenges and growing needs of the community. We must find proper balance.

While deadline was for the 3 May 2016, for comments and submission we believe as political party we must be given the space before adoption of the budget. You should also take into account the hectic schedule of voter registration and elections as parties prepare for the upcoming elections.

Clir Madhun Sobram Sing
DA Caucus Leader

Sent from my iPad



KwaDukuza Municipality
Department: FINANCE
Province of KwaZulu-Natal

Enquiries Imobuzo Navrae	A Nunkumar	Telephone Ulingo Telefoon	032-4375525	Postal Address IsikhwamaSeposi PosAdres	Date Usuku Datum
Reference Inkomba Verwysing	Budget Comments 2016/17	Fax Ifeksi Faks			18 May 2016

TO: Councillor Madhun Sobram Singh

Dear Sir

RE : Comments and Concerns on the 2016/17 Budget

Thank you for your e-mail dated 10th May 2016 of the above subject matter.

Notwithstanding that the closing date for comments has passed prior to the submission of your e-mail please find the response below numbered.

- 1) Employee costs are reviewed annually by each department prior to inclusion in the budget. These are based on a Council Approved Organogram and take into account the critical staff levels to ensure a sustained level of service is provided to all our communities.
- 2) The debt impairment levels are based on current council collection levels. Given the low rate of write offs of bad debt we deem the impairments to be reflective of current circumstances. If any major variances are noted we will adjust the impairment during the course of the adjustment budget as was the practice in the prior years.
- 3) The Ward Committee stipend is based on the current year expenditure and the latest estimates as contained in the adjustments budget. The user department is nevertheless reviewing the calculation and adjustments will be effected if necessary.
- 4) It appears that the R 82.3m which is referred to relates to the rebates on rates only. This rebate is made up of various statutory exclusions in terms of the Municipal Property Rates Act.

The free basic services which are offered by Council in respect of refuse and electricity are provided only upon application by individuals. These applicants are subject to an annual review to ensure that they meet the minimum qualifying criteria. This annual review process is currently underway.

- 5) A detailed review of the circular, indicates the municipality has already as part of the cost cutting exercises previously undertaken, most notably the 2015/16 exercise, implemented numerous measures. The expenditure line items which remain in the budget will not be removed in their entirety but rather the procurement of such items will only be incurred in very specific circumstances and following strict criteria. We do not consider our budget to contain any wasteful expenditure , but will undertake to carefully monitor the

“Committed to Service Delivery”

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usage of such budgets so as to ensure that we avoid any expenditure which does not maximize service delivery potential.

6) Public Participation is the cornerstone of a democratic and inclusive government and in the development of the 2016/17 budget this unit has been carefully considered. Given the new term of Council, various public outreach programs will need to be co-ordinated and undertaken by Council. In addition the Department for Co-Operative Governance and Traditional Affairs has requested each ward undertake a "Community Based Plan". The costs for the above matters have been included in the Public Participation Budget.

7) Whilst we do not agree with the value provided we are currently reviewing the in house capacity of the unit in order to enhance its effectiveness and improve collection levels.

8) A decision has been taken as part of the cost cutting initiative in the prior year to ensure only the key elements of the advertisement appear so as to reduce the advertising costs. The budget will be reconsidered during the adjustments process as we are legislatively mandated to issue various public notices.

9) As part of the budget process for the 2015/16 year various discussions relating to the developers rebate were undertaken. An in principle view was that should be phased out for residential developments. This view has now found expression in the current 2016/17. The rebate for commercial developments remains.

10) Given the backlogs experienced by Kwadukuzi, the implementation of new capital projects will invariably relieve the pressure from the existing assets. This will in effect, extend their lifespan. The budget for repairs and maintenance will continue to be carefully reviewed to ensure that we allocate the maximum affordable funds to ensure their continued sustainability.

I trust that the above will adequately address your concerns and queries raised in relation of the budget. Please feel free to contact our offices, should you require any further clarity or information.

We look forward to continued constructive engagement during the upcoming financial year.

Yours Sincerely

N.J. MDAKANE

MUNICIPAL MANAGER



treasury

Department

Treasury

PROVINCE OF KWAZULU-NATAL

1438

145 Chief Albert Luthuli Road
Pietermaritzburg 3201
Private Bag X9082
Pietermaritzburg 3200
Tel: 033 897 4200 - Fax: 033 342 4662

KWAZULU-NATAL PROVINCIAL TREASURY

MUNICIPAL FINANCE

Our Ref : 11/6/3/1(KZN292)-2017
Enquiries : Mr. A Soopal
Date : 13 May 2016

THE MUNICIPAL MANAGER
KWADUKUZA MUNICIPALITY
PO BOX 72
KWADUKUZA

4450

Fax: 032-437 5098

Dear Mr. N.J Ndakane

ASSESSMENT OF THE 2016/17 ANNUAL BUDGET TABLED IN TERMS OF SECTION 16(2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA)

1. Reference is made to your Tabled Budget for the 2016/17 financial year that was submitted to Provincial Treasury in accordance with Section 22 of the MFMA, which states that immediately after an annual budget is tabled in a municipal council, the accounting officer of a municipality must submit the annual budget in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury.
2. Furthermore, Section 23(1)(b) of the MFMA states that the municipal council must consider any views of municipalities which made submissions on the budget.
3. A compliance check was conducted to verify that your Tabled Budget for 2016/17, as submitted to Provincial Treasury, conforms with the Municipal Budget and Reporting Regulations (MBRR) and provides the relevant information required in the main budget tables (A1-A10) and supporting tables (SA1-SA37). Based on the outcome of the verification, your municipality partially completed some of the budget and supporting tables. The attached Annexure A: Check List of Compliance to Municipal Budget and Reporting Regulations presents a summary of the completed and incomplete tables and verification/reconciliation of the electronic submission to the budget tables included in the budget report and document submitted. It should be noted that where budget tables contained incomplete information, the Provincial Treasury was not able to perform a comprehensive analysis of your budget.
4. Based on the information submitted by your municipality in the A1 Schedules and the budget documents and the subsequent engagement on 25 April 2016, please find attached Annexure B: Comments on the 2016/17 Budget for your consideration in terms of Section 23(1)(b) of the MFMA. During the engagement, the municipality noted the issues raised by Provincial Treasury and committed to attend to them prior to the 2016/17 Budget being tabled in Council for approval.

5. With regards to the Funding Position of your 2016/17 Tabled Budget, Provincial Treasury could not establish the reasonableness of some the budgeted figures in Table A4: Budgeted Financial Performance, Table A5: Budgeted Capital Expenditure, Table A7: Budgeted cash flows and Table A8: Cash backed reserves/accumulated surplus reconciliation, for example, amongst others:

- The municipality conceded that Table A10: Basic Service Delivery Measurement was inaccurately populated, thus Provincial Treasury is unable to comment on the budgets for Service charges- Electricity and Service charges- refuse;

- In the breakdown of Other expenditure reflected in Table SA1, the municipality reflected an "Other provisions" balance of R18.4 million for which no breakdown was provided in the draft budget narrative report. Subsequent to the engagement, the municipality provided a breakdown of this expense where it is noted that the "Other provisions" contains an amount of R14.7 million against the Contribution to capital redemption. Based on the description provided, it appears that the amount constitutes a contribution to an equity reserve which should not have formed part of the operating statement. The Other expenditure line item may, thus, be overstated;

- In the draft budget narrative report, the municipality indicated that the assumed collection rates are to be reassessed before the adoption of the final budget which may impact the municipality's cash position. The municipality conceded that the budgeted receipts from Fines (R32.3 million or 95 percent of the total revenue of R33.9 million) is significantly overstated.

- For the 2016/17 financial year, the municipality has reflected an amount of R50.8 million as Reserves to be cash backed. Provincial Treasury is unable to comment on the reasonableness of the cash backed amount due to the municipality not providing a breakdown of the R50.8 million in the draft budget narrative report.

Thus, Provincial Treasury could not establish the true funding position of your municipality's 2016/17 Tabled Budget.

6. The municipality is required to substantiate to Provincial Treasury in its response to our findings, that the populated budget figures are correct and that the 2016/17 Tabled Budget is funded as an unfunded budget will not be supported by Provincial Treasury.

Provincial Treasury Circular TC/RM7 of 2015/16 dated 23 March 2016 reads "Failures to address the weaknesses identified by Provincial Treasury will result in the MEC For Finance advising the National Treasury to consider stopping of the Equitable Share Transfer to the affected municipalities in terms of Section 38 of MFMA, which states that National Treasury may stop the transfer of funds due to a municipality as its share of the local government's equitable share referred to in Section 214(1)(a) of the Constitution, but only if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(1) of the Constitution."

7. Please ensure that when presenting your 2016/17 Budget to Council for approval, a copy of our correspondence is included and that a copy of the relevant resolution is forwarded to our offices together with the written response by the municipality on the Provincial Treasury's comments on your 2016/17 Tabled Budget.

8. The municipality is also advised of National Treasury MFMA Circular No. 82: Cost Containment Measures which requires the Accounting Officer to ensure that the contents of the circular are brought to the attention of the Municipal Council and all other relevant officials within municipalities and municipal entities. The Circular recommends that the municipalities adopt the circular together with the annual budget.

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9. Furthermore, you are reminded to submit electronic and hard copies of the 2016/17 Approved Budget and related documents, ensuring full compliance with all the components reflected in the attached Annexure C, to National and Provincial Treasury within 10 working days after the approval of the final budget.

Yours faithfully


Mr F. Cassimjee

Chief Director: Municipal Finance

CC Mayor

Chief Financial Officer

Jan Hattingh, National Treasury

ANNEXURE B: COMMENTS ON THE 2016/17 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTRF) BUDGET OF KWADUKUZA MUNICIPALITY

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1. KEY OBSERVATIONS AND FINDINGS

1.1. Compliance with Municipal Budget Reporting Regulations (MBRR)

Provincial Treasury has undertaken an assessment of your draft budget that was tabled to Council on 31 March 2016 and submitted to Provincial Treasury in both electronic and hard copy format. The municipality's 2016/17 draft budget has been prepared in the required format as stipulated in Regulation 9 of the MBRR.

1.2. Credibility of figures

There were minor discrepancies noted between the Audited Outcomes and the audited Annual Financial Statements (AFS), for example:

- Other revenue in 2014/15 amounted to R77.8 million as per 2014/15 audited AFS while the incorrectly reflected R62.6 million in Table A4;
- As a result of the Bad debt write off being incorrectly disclosed in Table SA3, the Debt impairment provision did not reconcile to the audited AFS;

Furthermore, in several of tables such as A10 and SA22, several audited outcome columns were not populated.

1.3. Sustainability of the municipality

Revenue and expenditure management is fundamental to the sustainability of the municipality. The municipality has budgeted for an operating surplus over the Medium Term Revenue and Expenditure

Framework (MTRBF). The municipality's operating budget continues to be funded from Own revenue sources which constitute 90.4 percent of the municipality's operating revenue budget in 2016/17. It is noted that all trading activities are budgeted to operate at a surplus over the 2016/17 MTRBF.

Based on Provincial Treasury's observations as discussed in this report, the projected operating surplus of R22.9 million in the 2016/17 financial year appears to be questionable.

1.4. Funding of budget

In order for the municipality to continue to provide services and extend their services to the community, the municipality's budget should be funded in accordance with the legal requirements of the Municipal Finance Management Act (MFMA).

A number of concerns have been raised relating to the municipality's budgeted cash flow over the 2016/17 MTRBF, with specific reference to the Cash Flow Table A7 and the Cash backed reserves/accumulated surplus reconciliation in Table A8.

Based on Provincial Treasury's assessment, collection rates for budgeted cash receipts were unsubstantiated in Table A7 while the municipality has not provided a breakdown of *Reserves to be backed by cash*. As a result, Provincial Treasury could not establish the municipality's true funding position. Therefore, the municipality must reassess the budget, recalculate the cash flow position and ensure that the final approved budget is funded.

1.5. Asset Management

In terms of the National Treasury's guideline reflected in MFMA Circular 55, at least 40 percent of the capital budget must be allocated to the *Renewal of existing assets while Repairs and maintenance* must represents 8 percent of the Property, Plant and Equipment (PPE) value reflected in the 2014/15 Audited AFS.

In the 2016/17 financial year, the municipality has allocated 24.4 percent of the total capital budget to *Renewal of existing assets while Repairs and maintenance* represents 5.8 percent of the Property, Plant and Equipment (PPE) value reflected in the 2014/15 Audited AFS. Both are below the National Treasury guideline.

The municipality should ensure that adequate provision is made in the budget for *Renewal of existing assets* in order to preserve the assets in view of the municipality's reliance on *Electricity revenue*.

1.6. mSCOA Budgeting

With regards to any mSCOA related training, municipalities are required to liaise with National and Provincial Treasuries for further guidance as per MFMA Circular No.75. Municipalities are requested not to appoint any consultants for mSCOA related training since there are currently no accredited service providers from National Treasury, otherwise, the expenditure will be regarded as fruitless and wasteful.

1.7. Cost containment measures

In terms of MFMA Circular 79, all municipalities are required to table the cost containment measures, as discussed in MFMA Circular 82, in Council and to submit evidence thereof to National and Provincial Treasury together with budget documentation in terms of the MFMA.

1.8. Service Delivery

The draft SDBIP for the 2016/17 financial year was not submitted to Provincial Treasury. This should have been submitted together with the Draft budget in terms of Regulation 15(3) of the MBRK. The municipality did not properly populate the *Basic service delivery measurements* Table A10 and as Furthermore, the *Performance Measurable Objectives* Table SA7 was not populated by the municipality. Based on MFMA Circular No. 78, all the municipalities are expected to formulate their own service level standards and table and submit them together with approved 2016/17 budget. The guideline has been issued to all municipalities on how to formulate their own service level standards.

2. OPERATING BUDGET

2.1. Operating Revenue Framework

Table 1 shows the actual Operating Revenue generated as per 2014/15 Audit Outcome, the original and adjusted budgets for 2015/16 and the Operating Revenue budget for the 2016/17 MTRBF per revenue source as well as the year on year Nominal Growth Rate from 2015/16 to 2018/19.

Table 1 Analysis: Budgeted Financial Performance (Operating Revenue) (Table A4)

Description	2014/15		2016/17 Medium Term Revenue Framework		2018/19		2019/20		2020/21	
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Budget Year +3 2020/21	% Growth Rate (Nominal)	% Growth Rate (Nominal)
Revenue By Source										
Property rates	274 864	305 871	305 871	346 237	12 106	367 707	391 603	19 840	13.2%	6.2%
Service charges - electricity revenue	688 804	648 849	648 849	680 624	12 106	735 943	782 888	19 840	13.2%	6.2%
Service charges - water revenue	-	-	-	-	-	-	-	-	-	8.0%
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	54 848	58 583	58 583	68 077	72 161	76 708	81 252	85 796	18.2%	6.0%
Service charges - other	-	-	-	-	-	-	-	-	-	6.3%
Rent of facilities and equipment	1 085	1 074	1 074	1 133	1 201	1 278	1 355	1 432	6.5%	6.0%
Interest earned - external investments	30 491	24 385	24 405	32 501	34 451	36 621	38 891	41 161	33.2%	6.0%
Interest earned - outstanding debtors	5 873	4 850	4 850	5 676	6 017	6 358	6 700	7 041	5.1%	6.0%
Dividends received	-	-	-	-	-	-	-	-	-	6.3%
Fines	21 075	31 287	31 287	33 849	35 985	38 262	40 539	42 816	8.5%	6.0%
Licences and permits	88	180	183	205	218	231	244	257	6.5%	6.0%
Agency services	8 535	9 706	9 706	10 294	10 811	11 328	11 845	12 362	6.0%	6.0%
Transfers recognised - operational	119 744	119 022	123 283	130 372	145 058	150 641	156 224	161 807	6.0%	11.3%
Other revenue	62 689	45 313	58 648	41 177	42 533	43 889	45 245	46 601	3.3%	4.3%
Gains on disposal of PPE	54	-	30	-	-	-	-	-	-100.0%	-
Total Revenue (including capital transfers and contributions)	1 154 731	1 263 206	1 273 091	1 362 336	1 463 003	1 564 118	1 665 233	1 766 348	7.0%	7.4%

Property Rates

As per the 2014/15 Audited AFS, the municipality generated R274.95 million in respect to Property Rates. For the 2015/16 financial year, the budget was increased by 11.2 percent to R305.9 million due to the implementation of a new valuation roll. For the 2016/17 financial year, the municipality has increased their budgeted Property rates to R346.2 million, an increase of 13.2 percent from the 2015/16 financial year. As per the 2016/17 draft budget narrative report, the municipality attributed the significant increase to additional newly registered property rated from date of transfer, building completions, objection outcomes which had resulted in increased valuations for commercial properties and the phasing out of developers incentives. Furthermore, the municipality applied a tariff increase of 6 percent to all categories of ratepayers.

- It is noted that *Total Property rates* disclosed in Table SA1 have increased from R387.2 million in 2015/16 to R415.8 million in 2016/17, an increase of 7.4 percent while *Revenue foregone* has decreased from R81.4 million to R69.6 million, a decrease of 14 percent.
- As per Table SA11, the municipality reflects an increase in the *Nos. of properties* from 32 223 in 2015/16 to 32 692 in 2016/17, an increase of 469 properties while the *Total value used for rating* has increased from R42.5 billion to R49.6 billion (an increase of 16.6 percent). The increases noted are consistent with the explanation contained in the draft budget narrative report. Based on the tariff increase of 6 percent, the substantial increase in the *Total value used for rating* (16.6 percent) and the small increase in the number of properties, the budgeted increase of 7.4 percent in *Total Property rates* appears understated. As noted in draft budget narrative report, the municipality indicated that the decrease in budgeted *Revenue foregone* was due to "step down in phase in discounts of new properties."
- As per the draft budget narrative report, the municipality indicated that 30 percent of all Public Service Infrastructure (PSI) was exempted from rates which is less than the 40 percent requirement in the MPRA rate for 2016/17. Notwithstanding this the municipality's *Property rates* policy, certain properties are exempt from the payment of rates and the calculation of rates is being phased out as stipulated in the Amendment Act.
- During the engagement on the 2016/17 draft budget, the municipality indicated that the revenue section would revisit the calculation for *Property rates* to ensure the reasonableness thereof. The municipality further clarified that they had applied to the correct exemption rate of 40 percent to PSI properties and that the final budget narrative would reflect the correct explanation.
- Property Rates, penalties and collection charges**
 - In the 2014/15 financial year the municipality generated R8.8 million against this revenue source as per the 2014/15 audited AFS. In the 2015/16 original budget, the municipality budgeted for this revenue source to increase to R12.1 million which was decreased to R5.1 million in the adjustments budget due to the municipality processing prior period errors in the 2015/16 financial year against revenue generated.
 - In the 2016/17 financial year, the municipality has budgeted to increase the budget for *Property rates, penalties and collection charges* to R12.1 million, an increase of 139.7 percent. It is unclear what factors have been considered in determining the significant increase due to the municipality not providing a basis of calculation in the draft budget narrative report. It is recommended that the municipality assess the reasonableness of the budget for *Property rates, penalties and collection charges* and justify the budgeted amount in the final budget narrative report.
- Service Charges-Electricity Revenue**
 - The *Service charges-electricity* budget has increased by R32 million or 4.9 percent from R648.6 million in 2015/16 to R680.6 million in 2016/17. As per the draft budget narrative report and the 2016/17 Tariff of charges, the charges for electricity supplied have been increased by 7.6 percent for all categories of consumers and is within the NERSA guideline. For the 2016/17 financial year, it is noted that the municipality will not implement the block tariff structure that was used in the 2015/16 financial year.
 - Provincial Treasury is unable to comment on the reasonableness of the increase in relation to the number of households due to the following inconsistencies in the figures populated in A10:
 - The total number of households receiving the minimum service level and above populated in the 2015/16 Original Budget column reflect 39 300 which does not reconcile to the 2015/16 original budget figure of 41 100. Furthermore, the municipality has not reflected any amount in the adjusted budget column;

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- It is noted that the municipality has populated the 2015/16 full-year forecast column and 39 118 households receiving the minimum service level and above which could be an indication that the municipality has not achieved their target in the 2015/16 financial year of 41 000 households. The municipality anticipates to provide the same level of service (39 118 households) in the 2016/17 financial year.

- As per the draft budget narrative report, the municipality combined the explanation for the increase in Service charges as a whole and indicated that the municipality has developed a revenue enhancement strategy, appointed a contractor for the disconnection/reconnection of electricity and will be replacing "maximum demand metres".

- As per Table SA21, the municipality reflects the cost of free basic refuse and electricity amounting to R27.2 million. It is unclear as to whether this amount was taken into account in the budget for Service charges-electricity as the municipality has only reflected the Total Service charges-electricity revenue in Table SA1 which corresponds to Table A4. Furthermore, no costs of free basic services were populated in Table SA9. In the draft budget narrative report, the municipality indicated that they shall "confirm the accuracy of the budgeted amounts and the treatment thereof before the adoption of the final budget and have been excluded from Schedule A10 and related schedules". It is unclear as to which related schedules the municipality is referring to as a listing was not provided by the municipality in the draft budget narrative report.

- Based on the uncertainty regarding the number of households being serviced, the treatment of free basic services and the decision not to implement the block tariff structure, Provincial Treasury is unable to comment on the budget for Service charges-electricity.

- The municipality indicated that there were some challenges in the population of Table A10, at the engagement on the draft budget. The municipality committed to correct the number of households receiving the minimum service level and above based on their billing system. Furthermore, the municipality confirmed that cost of free basic refuse and electricity was taken into account in the budget for Service charges-electricity and was, thus, not overstated. The municipality agreed to update their disclosure in the final budget narrative report before the adoption of the final budget.

- Total revenue allocated to the Electricity trading service amounts to R734.2 million exceeds the operating costs of R689.4 million, thus resulting in a surplus of R44.8 million. In considering this surplus and as communicated in previous budget comment letters by Provincial Treasury, the municipality needs to take into account that the Total revenue includes capital transfers and is therefore not an indicator of the operating surplus for the Electricity trading service.

Service Charges-Refuse

- Service charges-refuse revenue is budgeted to increase by 16.2 percent from R58.6 million in 2015/16 to R68.1 million in 2016/17. As per draft budget narrative report and the schedule of Tariffs charges, refuse removal tariffs for the various categories of refuse customers have increased by 6 percent.

- The 2015/16 original budget and adjusted budget columns of Table A10 were not populated to reflect the number of households receiving the minimum service levels and above which were reflected as being 31 111 in the adopted A and B Schedule. The municipality has populated the 2015/16 full year forecast column and reflected 42 533 as the number of households receiving the service. It is unclear as to whether the municipality had understated the 2015/16 budget or whether the municipality had exceeded their target to eradicate service delivery backlogs in the 2015/16 financial year. The municipality anticipates to service the same number of customers in the 2016/17 financial year.

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- As per Table SA21, the municipality reflects *indigent support-refuse* amounting to R1.6 million. It is unclear as to whether this amount was taken into account in the budget for *Service charges-refuse* as the municipality has only reflected the *Total Service charges-refuse* revenue in Table SA1 which corresponds to Table A4. Furthermore, no costs of free basic services were populated in Table SA9. Similar to *Service charges-electricity*, the municipality confirmed during the engagement on the draft budget that Table A10 would be updated to reflect corrected information and the cost of *free basic refuse* and *electricity* was taken into account in the budget for *Service charges-refuse* and was, thus, not overstated.

- As a result of the inconsistencies noted above, Provincial Treasury is unable to comment on the proposed increase of 16.2 percent. In finalising the 2016/17 Budget, the municipality should ensure that the households for which the service will be rendered are accurately estimated and taken into account in the calculation of the *Service charges-Refuse revenue* budget.

Interest earned-external investments

- The municipality has increased the budget for *Interest earned-external investments* from R24.4 million in 2015/16 to R32.5 million in 2016/17.

- *Interest to be realised* of R25.9 million in supporting Table SA16 does not reconcile to the budgeted amount for *Interest earned-External investments* in Table A4 of R32.5 million. At a previous bilateral engagement, the municipality indicated that due to space constraints in Table SA16 and the number of investments held by the municipality, a full reconciliation could not be populated. Furthermore, the municipality indicated that interest to be earned on positive current account balances were not included in the reconciliation.

- Notwithstanding this, it is noted that the opening balance of R436.9 million for Investments in Table SA16 does not reconcile to the opening investment balance noted in Table SA15 and the closing 2015/16 *Call investment deposits* reflected in Table B6 of R338.6 million. It is thus unclear as to whether the municipality has based the budget for *Interest earned-External investments* on a reasonable level of investments.

- Based on the inconsistencies above, Provincial Treasury is unable to comment on the reasonableness of the budget for *Interest earned-External investments*. The municipality should ensure that the budgeted *Interest earned-external investments* is based on the projected level of investment which takes into account planned capital expenditure.

- Furthermore, the projected growth in *Interest earned-external investments* of 6 percent and 6.3 percent over the two outer years is inconsistent with the projected decrease in investments held by the municipality over the MTRBF (2016/17: R202.7 million; 2017/18: R132.8 million and 2018/19: R124.1 million) as per Table A6.

Interest earned-outstanding debtors

- In the 2016/17 financial year, the municipality anticipates to generate R5.7 million against *Interest earned-outstanding debtors*, an increase of 5.1 percent from the 2015/16 adjusted budget of R5.4 million. As noted in the discussion of *Debt impairment*, the *Consumer debtors* balance for 2014/15 populated in Table SA3 of R197.2 million did not reconcile to *Gross debtors* reflected in the 2014/15 audited AFS of R243.5 million, thus, it is unclear as to whether *Interest earned-outstanding debtors* has been based on the correct level of *Debtors*. Furthermore, as discussed in the cash flow section, the municipality will confirm the accuracy and validate the accuracy of the collection rates used in Table B7. Any changes to budgeted collections will impact the *Interest earned-outstanding debtors* budget.

- The municipality is thus advised to project *Interest earned - outstanding debtors* based on a reasonable level of debtors and updated collection rates for the various revenue sources before the adoption of the 2016/17 budget and include all assumptions in the final budget narrative report.

Fines

- The municipality generated revenue to the value of R21.1 million in respect of *Fines* in 2014/15 in terms of the recognition criteria of IGRAP 1. The budget for *Fines* was increased by 48.5 percent to R31.3 million in 2015/16 and 8.5 percent to R33.9 million in 2016/17. Provincial Treasury is unable to assess the reasonability of the 2016/17 budget in comparison to the current year (2015/16) performance due to the municipality still reporting for *Fines* on a cash basis. As at Month 08 (February 2016), the municipality has only reflected an amount of R2.2 million or 7 percent of their adjusted budget.
- During the engagement on the draft budget, the municipality noted Provincial Treasury's concern and indicated that they had challenges in obtaining performance information in respect of *Fines* from the user (traffic) department. The municipality indicated that the final budget would consider the 2015/16 performance, once this information is received.

Licences and permits and Agency services

- Provincial Treasury was unable to verify the accuracy of the Audited Outcome figures in respect of *Licences and permits* and *Agency services* due to the municipality disclosing revenue relating to *Agency services* together with *Licences and permits* in the Audited AFS thus limiting the comparability of the 2016/17 budgets for these revenue sources against prior periods.
- It is noted that the municipality generated R8.6 million against these revenue sources in 2014/15 as per the 2014/15 audited AFS. Based on the breakdown provided by the municipality in the Audited Outcome column, R88 000 related to *Licences and permits* while R8.5 million related to *Agency services*. For the 2015/16 financial year, the municipality budgeted to generate R183 000 for *Licences and permits* and R9.7 million for *Agency services*.

- As at Month 8 (February 2016) of the 2015/16 financial year, the municipality has generated only R113 000 or 61.6 percent against *Licences and permits* budget of R183 000 and R5.6 million or 57.4 percent against the *Agency services* budget of R9.7 million. Despite the low generation noted in the 2015/16 financial year, the municipality once again increased the budget for *Licences and permits* to R193 000 while the *Agency services* increased to R10.3 million in the 2016/17 budget year.

- Similar to *Fines*, the municipality noted Provincial Treasury's concern and indicated that they had challenges in obtaining performance information in respect of *Licences and permits* and *Agency services* from the user (traffic) department. The municipality indicated that the final budget would consider the 2015/16 performance, once this information is received.

- The municipality is advised to consider reviewing the budgets for both these revenue sources prior to the adoption of the 2016/17 Annual Budget to ensure that budgets are classified accordingly.

Agency services

- Kwadukuzi Municipality has a Level 2 accreditation for purposes of administering national housing programmes on behalf of the Department of Human Settlements. As per the terms of the protocol agreement between the parties, it was noted that the Department of Human Settlements reimburses the municipality for the construction of the RDP houses/ community residential units. Furthermore, the parties agreed that the province shall pay 4 percent of the annual budget expenditure for Level 2 Accreditation as operational cost to the municipality. The payment will be advanced quarterly

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and reconciled at the end of the financial year based on actual expenditure incurred by the municipality.

Based on the circumstances noted above, there appears to be an agent relationship between the Department of Human Settlements and the municipality, therefore the municipality is advised to budget for the projected *Operational costs: Accredited Municipality's* to be received from the Department of Human Settlements as revenue from *Agency services*.

Transfers Recognised-operating

- In Table SA18, the municipality has correctly reflected all National Government operating grants amounting to R122.1 million as per the Division of Revenue Bill (DoRB).

- However, the municipality has not accurately budgeted for the Provincial Government operating transfers, as noted below:

- The municipality has incorrectly recorded an amount of R4.9 million for *Accreditation of operational costs* from the Department of Human Settlements, instead of R5.1 million as per the Provincial Gazette No. 1654 of 2016/17. It appears that the municipality has incorrectly used the 2017/18 allocation. It is noted that the municipality allocates a portion of this grant to capital, thus, Provincial Treasury is unable to comment on the impact on the *Transfers recognised-operational budget*.

- The municipality has incorrectly recorded an amount of R3 million for *Provincialisation of libraries* from the Department of Arts and culture, instead of R2.9 million as per the Provincial Gazette thus, *Transfers recognised-operational* is overstated by R537 000.

As a result of the above, *Transfers recognised-operating* in Tables A4 and supporting Table SA18 should be corrected before adoption of the final budget.

Other revenue

- The budget for *Other revenue* decreased by R18.5 million or 31 percent from R59.6 million in 2015/16 (Adjusted budget) to R41.2 million in 2016/17. The decrease is mainly attributable to the municipality not budgeting for the *Housing Accreditation funding* (2015/16: R11.5 million).
- As per the breakdown provided in Supporting Table SA1 and the 2015/16 Draft Budget narrative report, *Other revenue* includes "Other income" of R6.8 million. Provincial Treasury is unable to comment on the reasonableness of the budgeted "Other income" due to the municipality not providing a breakdown of this revenue source in the draft budget narrative report. Furthermore, it is noted that the breakdown of *Other revenue* contains an item for "Proceeds from insurance" of R1.9 million. The municipality should ensure that this revenue source is correctly disclosed (for example, should the proceeds relate to an impaired item of PPE, a gain/loss) of disposal of PPE may need to be recognised).

- Subsequent to the engagement on 25 April 2016, the municipality submitted a breakdown of "Other income" of R6.8 million. The following matters are noted:

- The municipality has reflected an amount of R689 000 as *Interest on HAA*. Furthermore, an amount of R26 375 is reflected against *Interest on installments*. It is unclear as what these budgeted amounts relate to;
- It is unclear as to whether *Land sales* amounting to R31 650 constitute the profit to be made on the sale of land which should have been classified as *Gain/(Loss) on sale of PPE* in Table A4;
- *Hire of grounds* amounting to R38 575.53 should have been classified as *Rentals of facilities and equipment*.

- In view of the findings raised above, the *Other revenue* budget needs to be reviewed prior to the adoption of the 2015/16 Annual Budget.

2.2 Operating Expenditure Framework

Table 2 shows the actual Operating Expenditure as per 2014/15 Audit Outcome, the original and adjusted budgets for 2015/16 and the Operating Expenditure budget for the 2016/17 MTRBF per expenditure by type as well as the year on year Nominal Growth Rate from 2015/16 to 2018/19.

Table 2 Analytic: Budgeted Financial Performance (Operating Expenditure) (Table A4)

Description	R thousands					Employee Related Costs				
	2014/15	Audited Outcome	Original Budget	Adjusted Budget	2016/17 Medium Term Revenue & Expenditure Framework	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16*	2016/17	2017/18
Expenditure By Type	Employee related costs	251 404	306 084	294 494	328 952	346 897	366 902	11.7%	5.5%	5.8%
	Remuneration of councillors	17 612	20 189	20 129	21 636	22 826	24 148	7.5%	6.5%	5.8%
	Debt impairment	23 775	11 372	35 372	35 877	36 576	37 247	1.7%	1.7%	1.8%
	Depreciation & asset impairment	59 651	71 082	73 912	78 750	82 691	87 073	6.5%	5.0%	5.3%
	Finance charges	19 808	26 033	26 033	24 697	23 307	22 364	-5.1%	-5.6%	-4.1%
	Other materials	427 861	490 000	47 364	42 835	44 451	48 249	-9.6%	3.8%	4.0%
	Contracted services	25 745	31 118	30 422	31 626	33 303	47 134	-8.2%	5.4%	5.7%
	Transfers and grants	20 752	42 494	46 114	42 336	44 607	208 551	-1.1%	1.0%	4.9%
	Other expenditure	174 770	213 098	208 751	206 386	208 551	218 841	5.0%	5.3%	5.3%
	Loss on disposal of PPE	1 759	423	468	494	519	546	5.5%	5.0%	5.3%
Total Operating Expenditure	1 068 931	1 263 177	1 273 059	1 339 399	1 410 388	1 487 605	5.2%	5.3%	5.2%	
General expenses (SA1)	Other expenditure	88 589	85 073	94 756	94 832	97 056	101 739	0.1%	2.3%	4.8%
	General expenses as a % of Other expenditure	51%	40%	45%	46%	47%	46%	-1.1%	1.0%	4.9%
	Finance changes as a % of Total	19 808	26 033	24 1325	24 697	23 307	22 365	-0.2%	-0.6%	-4.2%
	Borrowing	212 342	221 802	241 325	240 792	231 124	221 365	-0.2%	-0.6%	-4.2%
	Finance changes as a % of Total	9.3%	11.7%	10.8%	10.3%	10.1%	10.1%	-0.2%	-0.6%	-4.1%
	Total loan amount outstanding (A6)	221 802	241 325	240 792	240 792	231 124	221 365	-0.2%	-0.6%	-4.2%
	Finance charges	26 033	26 033	24 697	24 697	23 307	22 365	-0.2%	-0.6%	-4.2%
	Borrowing	19 808	26 033	24 1325	24 697	23 307	22 365	-0.2%	-0.6%	-4.2%
	Finance charges as a % of Total	9.3%	11.7%	10.8%	10.3%	10.1%	10.1%	-0.2%	-0.6%	-4.1%
	Total loan amount outstanding (A6)	212 342	221 802	241 325	240 792	231 124	221 365	-0.2%	-0.6%	-4.2%

Employee related costs

- *Employee related costs* are budgeted to increase by R34.5 million or from R294.5 million in the 2015/16 Adjustments budget to R328.95 million in 2016/17 financial year, an increase of 11.7 percent. This follows an increase of 17.1 percent (R43.1 million) in 2015/16 from the 2014/15 financial year (R251.4 million).

- As per the municipality's 2016/17 draft budget narrative report, the municipality indicated that an increase of 8 percent was used for calculating salary increases for all employees, including Section 57 employees.
- Provincial Treasury is unable to determine the reasonableness of the budgeted amount for 2016/17 due to the following:

- As per Table SA24, the municipality anticipates an increase in *Personnel* of 9.5 percent from 962 in 2015/16 to 1053 in 2016/17. It is noted that the greatest contributor to the increase is in the *Professional* category where the municipality anticipates an increase in *Personnel* from 153 in 2015/16 to 194 in 2016/17. The municipality did not indicate whether the timing for the filling of these positions was considered in the preparation of the 2016/17 budget in the draft budget narrative report.

Notwithstanding the concerns noted above, when considering the budgeted increase of 9.5 percent in the number of *Personnel* and the increase of 8 percent stated in the draft budget narrative report, the year on year increase of 11.7 percent appears to be understated.

- Several inconsistencies were identified in the population of Table SA22. These are:
 - The municipality has not populated the Audited Outcome figures;
 - The municipality has not accurately populated the Audited Outcome columns, for example, Total employee related costs for the 2013/14 financial year amounted to R228 million as per the 2014/15 audited AFS, while Table SA 22 reflects R227.4 million
 - *Overtime costs* as a percentage of *Employee related costs* was budgeted at R38.4 million or 13 percent in the 2015/16 financial year. The *Overtime costs* budget is projected to decrease to R22.4 million in the 2016/17 financial year and constitutes 7 percent of the total *Employee related costs* budget. The municipality did not provide any basis for the decrease noted in their draft budget narrative report. Furthermore, Provincial Treasury's analysis of the *Overtime* budget was limited due to the municipality not populating the 2014/15 Audited Outcomes.

During previous engagements, the municipality indicated that a portion of the *Overtime* costs related to personnel such as life guards and traffic officers who do not work standard hours. Considering that the budget for *Overtime* constitutes a significant portion of the *Employee related costs* budget, the municipality is advised to provide details of their *Overtime* budget in the final budget narrative report. The municipality is advised to implement sound controls to monitor *Overtime costs*.

- It is noted that the salaries of 8 *Senior managers* are disclosed in Supporting Table SA23: *Salaries, allowances & benefits (political office bearers/councillors/senior managers* while Supporting Table SA24: *Summary of Personnel numbers* reflected a total of 7 *Senior managers* for both the 2015/16 and 2016/17 financial years. As a result, Provincial Treasury is unable to comment on the reasonableness of the budgeted increase of 13.9 percent in remuneration of *Senior Managers* from R10 million in 2015/16 to R11.4 million in 2016/17.

- As at the end of Month 08 (February 2016), an amount of R186.3 million or 63.3 percent had been incurred against the 2015/16 adjusted *Employee related costs* budget of R294.5 million, thus the 2015/16 adjusted *Employee related costs* budget used as a base year for the 2016/17 increase, could possibly overstate the 2016/17 *Employee related costs* budget.

- During the engagement on the 2016/17 budget, the municipality indicated that the budget for *Overtime* had been decreased due to the municipality intending to implement strict management controls over *Overtime* taken. The municipality further indicated that incomplete and inconsistent information would be corrected before the adoption of the final budget.

- The municipality has only considered inflation forecasts when budgeting for *Employee related costs* for the two outer years of the MTRBF and did not take into account other factors that may affect the *Employee related costs* budget in the medium term, such as, increase in the personnel numbers. It is noted that the municipality has applied an increase of 5.5 percent from 2016/17 to 2017/18 and 5.8 percent from 2017/18 to 2018/19 which do not correspond to the inflation forecast in MFMA Circular 79 of 6.2 percent and 5.9 percent, respectively.

- In view of the above findings, the municipality is advised to revisit the budget for *Employee related costs* and ensure the reasonableness thereof. Furthermore, the municipality should ensure that all supporting tables are fully populated and are consistent with the budget assumptions.

Remuneration of Councillors

- *Remuneration of councillors* is projected to increase by R1.5 million or 7.5 percent from R20.1 million in 2015/16 to R21.6 million in 2016/17. As per MFMA Circular 75, municipalities were advised to budget for the actual costs approved in line with the gazette on the *Remuneration of Public Office Bearers: Determination of upper limits of salaries, allowances and benefits for different members of municipal Councils* published by the Department of Cooperative Governance and Traditional Affairs.

Debt Impairment

- Expenditure related to *Debt Impairment* has reflected an increasing trend over the MTRBF. As per the 2014/15 audited AFS, the municipality incurred R22.7 million in 2013/14 for the Adjustments to debt impairment allowance and Bad debts written off which increased to R23.8 million in 2014/15. In the 2015/16 adjustments budget, the municipality budgeted for an amount of R35.4 million for *Debt impairment* which has increased by 1.7 percent to R35.98 million in 2016/17. As per the Month 08 (February 2016), the municipality has recognised only R2.2 million or 6.3 percent of their 2015/16 adjusted budget.
- Provincial Treasury is unable to comment on the budget for Debt impairment due to the following matters:
 - Several inconsistencies were noted in the population of the *Debt impairment provision* reconciliation reflected in Table SA3

- For the 2013/14 and 2014/15 financial years, it is noted that the *Debt impairment provision* in Table SA3 does not reconcile to the 2014/15 audited AFS with Table SA3 reflecting a balance of R126.2 million for 2013/14 and R141.8 million for 2014/15 while the 2014/15 audited AFS's reflected R119.6 million and R135.1 million respectively;
- As per the municipality's draft budget narrative report, the municipality indicated that "any bad debts are written off against the gross value of the debt and not the impairment provision recognised. This reduction of debtors has a resultant effect of reducing the subsequent impairment calculated." Despite this, the municipality has populated bad debt written off in the reconciliation of the *Debt impairment provision*;
- Even though the municipality has reflected the correct amounts for *Bad debts written off* over the Audited Outcomes in Table SA3, these amounts are reflected as positives resulting in the overstatement noted above. The effect of the municipality's current treatment is discussed in the reconciliation of *Consumer debtors* below;
- Furthermore, as was noted in the assessment of the 2015/16 adjustments budget, the reconciliation of *Debt impairment provision* corresponded to the Original Budget (R11.4 million) and did not agree to the 2015/16 adjustments budget amount of R35.4 million. Considering the concerns over the population of the Audited Outcome and Adjustments budget columns, Provincial Treasury is unable to comment on the opening balance of R170.5 million. It is also noted that the closing balance of R136.4 million for 2015/16 does not correspond to the 2016/17 opening balance of R170.5 million;
- It is noted that the *Debt impairment* budget of R35.98 million reflected in Table A4 does not correspond to the sum of the *Contribution to Debt impairment* (R30.7 million) and *Bad debts written off* (R5.4 million) amounting to R36.1 million as per Table SA3.
- As a result Provincial Treasury is unable to comment on the reasonableness of the closing *Debt impairment provision* balance of R206.6 million.
- Several inconsistencies were noted in the population of the *Consumer debtor* reconciliation reflected in Table SA3:
 - The *Consumer debtors* figures of R188.7 million in 2013/14 and R197.2 million in 2014/15 do not reconcile to *Gross debtors* reflected in the 2014/15 audited AFS of R211.9 million and R243.5 million, respectively. While the municipality correctly populated the *Provision for debt impairment* row, the *Gross debtors* carried forward to the 2016/17 MTRBF is understated.

➤ In the 2015/16 financial year, the municipality reflected an amount of R244.1 million for

Gross debtors with a Provision for debt impairment of R136.4 million. For 2016/17, the municipality reflects a significant decrease in Gross debtors to R200.8 million while reflecting a Provision for debt impairment of only R98 million. It is unclear as to what would have led to the significant decrease in debtors noted for the 2015/16 financial year. Furthermore, the Provision for debt impairment amount of R98.1 million appears significantly understated in relation to the 2014/15 closing balance of R135.1 million reflected in the 2014/15 audited AFS and when considering that the municipality does not write off bad debt against the provision.

➤ Furthermore, R98.1 million reflected as Provision for debt impairment in the Consumer debtors reconciliation does not agree to the total Debt impairment provision of R206.6 million. Should the municipality carried the amount reflected in the Provision for debt impairment reconciliation to the Consumer debtors which could be an indication that the Consumer debtors are understated or the Provision for debt impairment is overstated. Considering the municipality's current treatment of bad debts written off, the municipality must ensure that bad debts written off do not form part of the Provision for debt impairment balance.

- During the engagement on the draft budget, the municipality noted Provincial Treasury's findings and committed to accurately populate the supporting tables. The municipality should ensure that the provision for Debt impairment is sufficient in the preparation of the 2016/17 Final Budget.

Depreciation and asset impairment

- The municipality increased their budget for Depreciation from R59.7 million in 2014/15 as per the 2014/15 audited AFS to R73.9 million in the 2015/16 adjustments budget and to R78.8 million in 2016/17 (an increase of 6.5 percent from the 2015/16 adjustments budget).
- Provincial Treasury is unable to comment on the reasonableness of the budget for Depreciation due to the following:

- Inconsistencies were noted in the population of the ASSET REGISTER SUMMARY - PPE (WDV) in Table A9 where it was noted that the 2013/14 (R1.1 billion) and 2014/15 (R1.6579 billion) Audited Outcome columns did not reconcile to the 2014/15 audited AFS (2013/14 (R1.4 billion) and 2014/15 (R1.6580 billion)). Furthermore the municipality grouped Property Plant and equipment, Intangible Assets, Investment Property's and Heritage assets instead of being separately disclosed as required in Table A9.

- It is noted that the closing PPE (WDV) reflected in Table A9 of R2.1 billion does not correspond to the reconciliation of Property Plant and equipment closing value of R1.996 billion in Table SA3;

- While the municipality has taken into account both the planned capital expenditure and budgeted Depreciation for 2015/16 and 2016/17 to arrive at the closing 2016/17 PPE (WDV) reflected in Table A9, it should be noted that the municipality only incurred R103.1 million or 30.3 percent of the 2015/16 adjusted budget of R340.2 million as at Month 8 (February 2016). Should the municipality not achieve the planned capital expenditure in the remaining months of the 2015/16 financial year, the municipality's budgeted Depreciation may be overstated as the PPE values used in the calculation of Depreciation would have been overstated.

Finance charges

- In the 2014/15 financial year, the municipality incurred R19.8 million in respect of Finance charges with the level of Borrowings at R212.8 million. The municipality budgeted to incur R26 million against this expenditure item in 2015/16. As at Month 08, the municipality incurred R12.1 million or 47 percent of their 2015/16 budget.

- For the 2016/17 financial year, the municipality has decreased the Finance charges budget from R26 million in 2015/16 to R24.7 million with the expected level of *Borrowings* increasing to R240.8 million in Table SA17. In the draft budget narrative report, the municipality provided a table which the municipality states, is indicative of the amortisation schedules for the loans taken up by the municipality.

- It is noted that the table consists of what appears to be the payment date, Interest and Installments to be paid over from June 2016 to June 2019 for the loans from the DBSA and ABSA. While the summation of the Interest portion correspond to the budgeted *Finance charges*, Provincial Treasury is still unable to comment on the budget due to the following:

- Considering the set up of the table which contains what appears to be an instalment date, it is unclear if the Interest reflected in the table is indicative of the Interest portion payable at instalment date or accrued for the period. It is thus unclear as to whether the municipality has budgeted for *Finance charges* on accrual basis;

During the engagement on the draft budget, the municipality confirmed that interest reflected in the draft budget narrative report correctly reflect accrued interest.

- Based on the table, it appears that the municipality has only budgeted for *Finance costs* related to loans from the DBSA and ABSA and not any *Finance costs* related to the finance lease held by the municipality and the *Provision for landfill site*.

Bulk purchases

- The municipality has increased the *Bulk purchases* budget from R490 million in the 2015/16 adjusted budget to R527.2 million in the 2016/17 financial year, an increase of 7.6 percent. The municipality did not provide a basis of the increase in the draft budget narrative report and simply indicated that "Bulk tariff's have increased by 7.86 percent". During the engagement on the draft budget, the municipality confirmed that they had taken into account NERSA's *Guideline on municipal electricity price increase for 2016/17* (issued on 15 April 2016), which reflected a bulk tariff increase of 7.857 percent.

- As discussed under *Service charges-electricity*, due to the inconsistencies noted in the population of Table A10, Provincial Treasury is unable to comment on the budgeted increase in relation to the number of households receiving the service. It is recommended that the municipality review the budget for *Bulk electricity*.

Other materials

- The budget for *Other materials* which is used for *Repairs and maintenance* of municipal assets has been decreased by R4.4 million from R47.4 million in 2015/16 adjustments budget to R42.8 million in 2016/17.
- The reduction in the *Other materials* budget has not been justified in the budget narrative report submitted by the municipality. It is noted that expenditure related to *Other materials* consistently increased over the period of the Audited Outcomes (2012/13: R32.4 million, 2013/14: R37.3 million and 2014/15: R43.8 million).

- As per Table SA1, the *repairs and maintenance* budget consists of *Other materials* (R42.8 million) and *Employee related costs* (R52.6 million). *Employee related costs* related to *Repairs and maintenance* has increased by R2.9 million or 6 percent from R49.7 million in 2015/16 to R52.6 million in 2016/17.

- The decrease in *Other materials* appears inconsistent with the increase in *Employee related costs* related to *Repairs and maintenance*. During the engagement on the draft budget, the municipality indicated that the majority of the municipal assets are new, which had led to a decrease in planned *Repairs and maintenance*. It is recommended that the municipality include this justification of the decrease in *Repairs and maintenance* in the final budget narrative report to Council.

Contracted Services

- For the 2016/17 financial year, the municipality decreased the budget for *Contracted services* from R30.4 million in the 2015/16 adjustments budget to R30.1 million. As per the breakdown of *Contracted services* in Table SA1, it appears that the municipality will not enter into any new agreements in the 2016/17 budget year. It is noted that the majority of the services reflected in the breakdown show an increase from 2015/16 with the exception of the *Financial, assets and new GRAP standards support* which decreased from R3.3 million in 2015/16 to R2.3 million in 2016/17.

- However, it is noted that the municipality has only incurred R15.1 million or 49.8 percent of their budget as at Month 08 (February 2016). Based on the poor performance reflected in the 2015/16 financial year and the fact that there will be no new contracts in the 2015/16 financial year, the budgeted amount for *Contracted services* appears overstated.

Transfers and grants

- It is noted that the municipality's *Transfers and grants* budget has decreased from R46.1 million in the 2015/16 adjustments budget to R42.3 million in 2016/17. It is noted that this is largely due to the fact that the municipality has not budgeted for any transfers to Ilembe District Municipality with respect to the provision of bulk infrastructure for *Water and Sanitation* for the housing projects identified by KwaDukuza Municipality budgeted at R6.1 million in the 2015/16 financial year.

- In terms of the municipality's Indigent policy and Council Resolutions, the municipality provides free basic services to indigents and child headed households. Furthermore, the municipality also offers Councils approved rebates, exemptions, deductions and discounts to various categories of ratepayers. However, with respect to the free basic electricity services, even though the Indigent support states that a 100 percent subsidy based on the number of kWh per household per month as determined by Council will apply, the number of free kWh per household are not stipulated in the Council Resolutions. The municipality is advised to include these in the Council Resolutions. As per Table SA21, the total value of these items amounted to R41.8 million.

As noted in the discussion of service charges, the municipality indicated that they shall confirm the accuracy of the budgeted amounts and the treatment thereof before the adoption of the final budget.

- Similar to the 2015/16 financial year, the municipality has an external bursary scheme which has an allocation of R490 000 in the 2016/17 financial year.

Other expenditure

- The municipality has reduced the *Other expenditure* budget from R208.8 million in 2015/16 to R206.4 million in 2016/17. As per the draft budget narrative report, the municipality has implemented a zero-based budgeting process for the 2016/17 budget where the budget for each user department was reviewed comprehensively before inclusion in the draft budget. The cost savings identified, resulted in the decreased budget *Other expenditure*.

Although the municipality's *General expenses* constitute 46 percent of *Other expenditure* in Table SA1 and exceeds National Treasury's guideline of *General expenses* of not exceeding 10 percent of total *Other expenditure*, the municipality provided a breakdown of these expenditure items in the draft budget narrative report. Based on an analysis of the breakdown in Table SA1 and *General expenses*, the following were noted:

- The municipality has contributed R18.4 million to "Other provisions" for the 2016/17 financial year. The municipality did not indicate what "Other provisions" relate to. The municipality is requested to provide a breakdown of this line item in the final budget narrative report.

- It is noted that the municipality has budgeted for *Indigent support- parks and gardens department* (R12.3 million) and *Indigent support* (R2 million). Based on the description provided by the municipality, these expenditure items may meet the definition of *Transfers and grants*.

- Subsequent to the engagement on the draft budget, the municipality provided a breakdown of the "Other provisions" balance of R18.4 million. It is noted that the breakdown consists of provisions in respect of *Contribution to capital redemption* (R14.7 million), *Staff bonus provision* (R1.4 million), *Rehabilitation of landfill site* (R1.3 million) and *Leave provision* (R1 million).

Contribution to capital redemption

- The municipality did not give an indication as to what the *Contribution to capital redemption* of R14.7 million relates to when submitting the additional information. Based on the description provided, it appears that the amount constitutes a contribution to an equity reserve which should have not formed part of the operating statement. The *Other expenditure* line item may be overstated. The municipality is advised to consider the accounting treatment of this reserve before the adoption of the final budget;

Staff bonus provision

- The municipality did not indicate as to whether the staff bonus provision relates to (for example a 13th cheque) or a *Performance Bonus*.

- Should the budgeted amount relate to a guaranteed payment that will be payable to staff members, the amount should have been disclosed as *Basic salaries and wages* in Table SA22 and formed part of the *Employee related costs* budget;

- Should the amount relate to a *Performance bonus*, it is unclear as to why the municipality intends to contribute an amount of R1.4 million to *Staff bonus provision* when considering that the municipality has budgeted an amount of R778 000 as the total *Performance bonus* expense already reflected in the budget for *Employee related costs*.

Provision for landfill site

- The municipality has provided for an amount of R1.3 million which corresponds to the amount transferred to a current liability, as per the 2014/15 AFS. It is unclear as to whether the budgeted amount relates to the interest cost which was not budgeted for against *Finance costs*. The municipality is advised to assess whether the 2016/17 budget relates to a movement in the liability which should be set off against the corresponding asset and not in the statement of operating performance or the interest cost which should be budgeted against *Finance costs*.

Leave provision

- The municipality is advised to assess whether the budget of R1 million related to the *Leave provision* constitute Payments in lieu of leave which should form part of the budget for *Employee related costs*.

- It is noted that the municipality has budgeted for an amount of R2 million in relation to the Standard Chart of Accounts (mSCOA). The municipality is advised to assess whether the current budget is sufficient for the hardware, software and training requirements to ensure that the municipality is fully compliant with *mSCOA implementation* as only less than one financial year remains before the reform is implemented.

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2.3 Operating Surplus/Deficit

Table 3 shows the actual Operating Surplus (Deficit) as per 2014/15 Audit Outcome, the original and adjusted budgets for 2015/16 and the budgeted Operating Surplus (Deficit) for the 2016/17 MTRBF as well as the year on year Nominal Growth Rate from 2015/16 to 2018/19.

Table 3 Analysis: Budgeted Financial Performance (Operating Surplus/Deficit) (Table A4)

Description	2014/15 Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework	% Growth Rate (Nominal)	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16* to 2016/17	2016/17 to 2017/18	2017/18 to 2018/19
Total Revenue (excluding capital transfers and contributions)	1 154 731	1 253 206	1 273 091	1 362 336	1 339 399	1 410 389	1 463 003	1 564 116	1 497 605	5.2%	5.3%	6.2%
Total Operating Expenditure	1 086 931	1 263 177	1 273 059	1 339 399	1 339 399	1 410 389	1 463 003	1 564 116	1 497 605	5.2%	5.3%	6.2%
Operating Surplus/Deficit	87 800	29	32	22 937	22 937	52 614	68 510	719 133	719 133	129.4%	129.4%	26.4%

- Due to the inconsistencies/uncertainties regarding the budgeted *Property rate, Service charges, Fines and Debt impairment*, the budgeted operating surplus of R22.9 million appears highly questionable. Furthermore, the surplus reflected will further be impacted once the assumptions for *Interest earned-Outstanding debtors and Transfers and grants* are finalised.

3. CAPITAL BUDGET

3.1. Capital Revenue

Table 4 shows the actual Capital Funding as per 2014/15 Audit Outcome, the original and adjusted budgets for 2015/16 and the Capital Funding budget for the 2016/17 MTRBF per funding source as well as the year on year Nominal Growth Rate from 2015/16 to 2018/19.

Table 4 Analysis: Budgeted Capital Funding (Table A5)

Description	2014/15 Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework	% Growth Rate (Nominal)	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16* to 2016/17	2016/17 to 2017/18	2017/18 to 2018/19
Funded by												
National Government	67 362	81 772	67 165	67 165	67 165	67 864	72 119	63 066	63 066	6.3%	-12.5%	-12.5%
Provincial Government	10 143	1 645	1 650	1 650	1 650	985	255	-	-	-76.8%	-33.8%	-100.0%
Other transfers and grants										-	-	-
Transfers recognised - capital	77 495	83 317	68 765	68 765	68 765	68 249	72 388	63 066	63 066	6.0%	-12.9%	-12.9%
Public contributions & donations	16 195	14 500	2 500	2 500	2 500	2 188	-	-	-	-12.6%	-100.0%	-
Borrowing	74 739	17 285	18 368	18 368	18 368	-	-	-	-	-100.0%	-	-
Internally generated funds	78 132	280 232	250 556	250 556	250 556	174 149	140 880	109 328	109 328	-30.5%	-18.2%	-22.3%
Total sources of capital funds	249 561	375 344	340 181	340 181	340 181	244 583	213 088	172 132	172 132	-28.1%	-12.9%	-19.1%
Transfers recognised - capital	77 495	83 317	68 755	68 755	68 755	68 248	72 388	63 066	63 066			
Total sources of capital funds	245 561	375 344	340 181	340 181	340 181	244 583	213 088	172 382	172 382			
Transfers recognised as a % of Total sources of capital funds	32%	22%	20%	20%	20%	28%	34%	37%	37%			

- Kwadukuzi Municipality's capital budget has decreased by R96.6 million from R340.1 million in 2015/16 adjustments budget to R244.6 million in 2016/17. The bulk of the 2016/17 budget is funded mainly through *internally generated funding* (71 percent), Capital Grants (28 percent) with the remainder (1 percent) being funded through *Public contributions & donations*.

- It is noted that the main contributors to the decrease in capital budget was due to a decrease in *internally generated funding* from R250.6 million in 2015/16 to R140.7 million in 2016/17 while no projects will be funded from Borrowings in the 2016/17 financial year (2015/16: R18.4 million).

Transfer Capital -Recognised

- As noted in Table SA18, the municipality has correctly reflected all National Government capital grants amounting to R67.9 million as per the 2016 Division of Revenue Bill (DoRB).
- However, the municipality has not accurately budgeted for the Provincial transfers, as noted in the discussion of *Transfers recognised-Operational*. The municipality must ensure that they correctly allocate the capital portion of the *Accreditation of operational costs* from the Department of Human Settlements, incorrectly recorded in Table SA18 and Table A5.

Public Contributions & Donations

- In the 2015/16 Original budget, the municipality budgeted for an amount of R14.5 million. As noted in the assessment of the 2015/16 adjustments budget, the municipality received an allocation of R4.5 million from Tongaat Hullett-Zimbabwe (PTY) LTD in 2014/15 for the development of social facilities within Kwadukwa Municipality which was not spent in 2014/15. In the 2015/16 financial year, the municipality has budgeted for an additional amount of R10 million to be received for the upgrading of public beach facilities as per the agreement between the municipality and Tongaat Hullett-Zimbabwe (PTY) LTD.

- In the 2015/16 adjustments budget narrative report, the municipality indicated that an amount of R2 million related to an IFA/Tongaat Development grant and R10 million related to the Beach node development will be carried forward to the 2016/17 financial year. As per Table A5, the municipality has budgeted for an amount of R2.2 million for the 2016/17 financial year. The municipality did not provide a basis for the inclusion of this amount in the draft budget narrative report, thus, it is unclear as to whether the projects discussed above have been carried forward to the 2016/17 financial year.

- It should be noted that the municipality indicated in the "Overview of budget funding" section in the draft budget narrative report that an amount of R2.2 million from the existing long term loans will be used to fund capital expenditure. It appears that the municipality may have misallocated *Borrowings* as *Public Contributions & Donations*.

- The municipality indicated, during the engagement on the draft budget, that the projects funded by Tongaat Hullett-Zimbabwe (PTY) LTD are not expected to commence in the 2016/17 financial year based on information submitted by the user departments. The municipality further indicated that the amount of R2.2 million is misclassified and should have been reflected as *Borrowings* and would be rectified prior to the adoption of the final budget.

Internally generated funds

- As noted above, the bulk of the 2016/17 capital budget is funded mainly through *internally generated funding* (R174.1 million or 71 percent). As previously communicated by Provincial Treasury, the municipality's shows a historic trend of being overly optimistic in their capital budget in relation to *internally generated funds*. This trend has continued into the 2015/16 financial year as the municipality has reflected revenue of only R43.8 million or 17.4 percent of their budgeted *internally generated funds* of R250.6 million. Based on the poor expenditure noted the municipality should assess their readiness to implement capital projects and should consider any incomplete 2015/16 projects which may need to be budgeted for in the 2016/17 financial year before the adoption of the final budget.

- Provincial Treasury was unable to determine as to how the internally generated funds would be funded due to the lack of a narrative summary of the funding of capital expenditure that should have been included in the overview of budget funds dealing with Funding of the budget as required by Section 18 of the MFMA. In the overview of budget funding section of the draft budget narrative report, the municipality indicated that the funding model of the 2016/17 MTRRF is dependent on the revenue to earned and collected from *Property rates and Service charges*. Please refer to the Operating revenue and cash flow sections for discussion of the budget for these line items.

3.2. Capital Expenditure

Table 5 shows the actual Capital Expenditure as per 2014/15 Audit Outcome, the original and adjusted budgets for 2015/16 and the Capital Expenditure budget for the 2016/17 MTRRF as well as the year on year Normal Growth Rate from 2015/16 to 2018/19.

Table 5 Analysis: Asset Management (Table A9)

Description	2014/15	Audited Outcome	Original Budget	Adjusted Budget	2016/17 Medium Term Revenue & Expenditure Framework				% Growth Rate (Normal)	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2015/16* 2016/17 to 2017/18		
EXPENDITURE OTHER ITEMS										
Repairs and Maintenance by Asset Class	59 651	71 082	73 912	78 750	82 691	87 073	6.5%	5.0%	5.3%	
Infrastructure - Road transport	21 967	24 004	28 990	24 893	25 528	27 302	-13.0%	5.0%	5.3%	
Infrastructure - Electricity	30 064	32 486	29 426	30 503	32 028	33 726	3.7%	5.0%	5.3%	
Infrastructure - Water	-	-	-	-	-	-	-	-	-	
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	
Infrastructure - Other	355	114	169	171	179	189	6.0%	5.0%	5.3%	
Infrastructure	52 406	56 603	57 978	55 367	58 136	61 216	-4.5%	5.0%	5.3%	
Community	14 415	24 027	26 308	24 473	25 887	27 068	-7.0%	5.0%	5.3%	
Heritage assets	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Other assets	12 046	13 376	12 740	15 637	16 420	17 291	22.7%	5.0%	5.3%	
Total Repairs and Maintenance	78 858	94 084	97 827	99 478	100 262	105 565	-1.6%	5.0%	5.3%	
Total Infrastructure expenditure	208 968	278 953	232 075	184 894	181 670	165 416	-20.3%	-1.7%	-14.6%	
Total Capital Expenditure - New Asset - (A9)	36 893	96 391	108 106	58 689	21 389	16 877	-44.8%	-47.4%	-45.9%	
Total Capital Expenditure - Infrastructure (A9)	215 081	254 080	244 962	188 880	142 955	94 604	-35.2%	-10.2%	-33.5%	
Total Capital Expenditure - (A9)	245 681	375 344	340 181	244 683	213 658	172 382	-28.1%	-12.9%	-19.1%	
Total New Asset expenditure as a % of Total Capital Exp.	83.1%	74.3%	68.3%	75.8%	83.3%	88.3%				
Total Renewal of Existing Asset expenditure as a % of Total Capital Exp.	14.9%	25.7%	31.8%	24.1%	14.7%	9.8%				
Total Infrastructure expenditure as a % of Total Capital Exp.	87.6%	87.7%	72.8%	84.9%	65.9%	84.9%				
Asset Management Ratio (Table A9: Asset Management)										
Renewal of Existing Assets as % of depreciation	61.3%	135.6%	146.3%	76.8%	38.0%	18.5%				
Renewal and Repair & Maintenance as a % of PPE	5.1%	6.0%	5.3%	4.9%	4.7%	4.8%				

- Capital expenditure performance in the current 2015/16 year is low at R103.1 million or 30.3 percent of the total capital budget of R340.2 million as at February 2016. Based on the municipality's performance against the capital budget, the municipality appears to have regressed from the performance noted over the Audited Outcomes. Consequently, the municipality is advised to review the 2016/17 Capital budget in order to determine if it is realistically achievable.
- The capital budget supporting Table SA36 reconciles to the capital expenditure budget by vote and by standard classification reflected in Table A5, however the GPS co-ordinates of individual projects are not reflected. The municipality is advised to include the GPS co-ordinates prior to the adoption of the 2016/17 Final budget.

New assets and renewal of assets

- As per Table A9, it is noted that the municipality has budgeted an amount of R59.7 million for the *Renewal of existing assets*, which represents 24.4 percent of the total capital expenditure budget which is lower than National Treasury's guideline of 40 percent as per MFMA Circular 55.
- As per the draft budget narrative report, the municipality noted the 40 percent requirement and indicated that since the municipality is still growing, with most rural wards still needing new roads, sports fields etc, the municipality has "prioritised expenditure on new assets and anticipates meeting the 40 percent requirement in the long run".
- Repairs and maintenance*
- The municipality has allocated an amount of R95.5 million towards *Repairs and maintenance* which represents 5.76 percent of the Property, Plant and Equipment (PPE) value of R1.7 billion stipulated in MFMA Circular 55.
- The municipality is advised to ensure that *Renewal of existing assets and Repairs and maintenance* are adequately budgeted for to ensure the ongoing health and revenue generating capability of the municipality.

4. CASH FLOW MANAGEMENT

Table 6 shows the actual Cash Flows as per 2014/15 Audit Outcome, the original and adjusted budgets for 2015/16 and the Cash Flows for 2016/17.

Table 6 Analysis: Consolidated Budgeted Cash Flows (Table A7)

Description	R thousand			
	2014/15	Adjusted Outcome	Adjusted Budget	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	281 457	308 168	309 168	309 168
Property Rates, penalties and collection charges	590 171	669 213	669 213	669 213
Service Charges	66 224	69 873	69 873	69 873
Government - operating	119 744	123 263	123 263	123 263
Government - capital	73 995	68 755	68 755	68 755
Interest	30 491	27 915	27 915	27 915
Dividends				
Payments				
Suppliers and employees				
Finance charges				
Transfers and Grants	(838 955)	(1 075 001)	(1 075 001)	(1 075 001)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(20 752)	(8 600)	(8 600)	(6 600)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		500		500
Decrease (increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(76)		(3 799)	
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	(230 225)	(340 181)	(340 181)	(340 181)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/financing	80 876	44 599	44 599	44 599
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	(17 043)	(18 396)	(18 396)	(18 396)
NET INCREASE/ (DECREASE) IN CASH HELD	66 756	27 691	27 691	27 691
Cash/cash equivalents at the year end :	(1 980)	540 381	(164 916)	(164 916)
Cash/cash equivalents at the year end :	540 381	540 381	375 475	375 475
				308 401
				(67 074)
				375 475
				308 401

Acceptability of cash/cash equivalent position

- The municipality has correctly populated the Audited Outcome and Adjustment budget columns. The municipality has populated the 2015/16 forecast with the adjustments budget figures, thus, the credibility of the opening cash and cash equivalents balance of R375.5 million is questionable. As per Provincial Treasury's assessment of the municipality's 2015/16 Adjustments Budget reflected in Table B7, the following items, amongst others, may impact the closing 2015/16 cash and cash equivalents balance:

- In the adjustments budget, payments made to *Suppliers and employees* R1.075 billion were less than total operating expenditure incurred (excluding non-cash items and separately disclosable items) in Table B4 amounting to R1.095 million, a difference of R16.2 million;
- The municipality had increased cash outflows related to *Transfers and grants* from R500 000 in the Original Budget to R6.6 million in the adjustments budget despite still reflecting cash *Transfers and grants* of only R500 000 in Table SB1. The municipality did provide a basis for the increase in the adjustments budget narrative report, thus, Provincial Treasury was unable to comment on the budgeted outflow.
- The municipality had included a cash outflow of R3.8 million against *Increase in non current receivables*. The municipality did not provide a basis for this adjustment in the adjustments budget narrative report nor was a corresponding movement noted in Table B6. As a result, Provincial Treasury was unable to comment on the budgeted cash outflow.

Before the adoption of the final budget, the municipality is advised to recalculate the projected 2015/16 closing balance and populate the Full year forecast column.

Cash from Operating Activity

- As per Table SA30, the municipality has applied a collection rate of 95 percent for the majority of the revenue sources relating to operating activities with the exception of *Transfers recognised-operational*, *Licences and permits* and *Agency fee's* where the municipality assumed a 100 percent collection of the 2016/17 revenue to be generated, as reflected in Table A4. In the draft budget narrative report, the municipality indicated that they would use the remaining period before the tabling of the final budget to confirm and validate the accuracy of the percentage applied.
- The municipality further indicates that the municipality has implemented various mechanisms to enhance the revenue collection process which include the formation of an energy loss team between the finance and electricity departments, the appointment of a contractor to perform hard disconnections and the replacement of maximum demand meters.
- Before the adoption of the final budget, the municipality should consider the impact of the various mechanisms would have on the municipality's collection rate and ensure that the associated costs in implementing the strategies are reliably estimated and accounted for. The municipality must ensure that the assumptions as well as the strategies to be implemented are documented in the final budget narrative report.

Property rates, penalties and collection charges

- Based on Table A4, the municipality will generate revenues amounting to R358.4 million related to *Property rates* (R346.2 million) and *penalties and collection charges* (R12.1 million). Consistent with the assumption above, the municipality applied a 95 percent collection rate to the billed revenue to arrive at the budgeted cash inflow of R340.4 million.

- While, the assumed collection rate applied appears reasonable in relation to the collection rates achieved in prior periods, Provincial Treasury is unable to comment on the budgeted cash inflow due to the following:

- As per Table SA11, the municipality reflected that they expect to collect 90 percent of *Property rates* billed, which is inconsistent with the rate applied in Table A7;

- It is unclear as to whether the municipality has excluded amounts to be billed relating to free basic services of R13 million that will not be collectable, but subsidised by the municipality through the *Equitable Share* based on the *Property rates* rebates as reflected in Table SA21.

Service charges

- The municipality has applied the assumed collection rate of 95 percent to *Service charges-Electricity* (R680.6 million) and *Service charges-Refuse* (R68.1 million). It is noted that these collection rates have been applied to *Service charges-Electricity* billed amounting to R649.8 million and *Service charges-Refuse* billed of R58.6 million to obtain the budgeted cash inflow amount of R711.3 million reflected in Table A7.

- However, the municipality did not consider billed amounts that will not be collectable due to fact that the municipality has budgeted to provide free basic services to poor households, pensioners and child headed households. As per table SA21, total billing related to the non-collectable revenue amounted to R28.8 million. As a result of the incorrect inclusion of this amount, *Service charges* receipts are possible overstated.

Other revenue

- For *Other revenue* budgeted of R41.2 million in Table A4, the municipality has once again assumed a collection rate of 95 percent. The municipality is required to investigate the different sources of revenue that make up the budget for *Other revenue* and estimate realistically achievable cash inflows and document the assumptions used in the final budget narrative report.

- In the 2016/17 financial year, the municipality has budgeted to receive R32.3 million or 95 percent of the total revenue for *Fines* of R33.9 million. The budgeted cash inflows appear overly optimistic. In 2015/16, the municipality budgeted *Fines* revenue of R31.3 million and recognised a contribution to *Debt impairment* of R24 million. Furthermore, the municipality has reported in 2015/16, it appears that the budgeted 2016/17 budgeted cash inflow is significantly overstated. Furthermore, had the assumed collection rate been used in the calculation of *Debt impairment*, the budgeted amount for this expenditure item may be understated.

- At the engagement on the draft budget, the municipality conceded that the assumed collection rate of 95 percent was overstated. The municipality agreed to revisit the budget for this amount and reflect the corresponding *Debt impairment* expense in Table A4.

- It is unclear as to why the municipality did not budget to receive 100 percent of the *Rentals of facilities and equipment* to be generated as per Table A4.

Government-Operating and Government-Capital

- In Table A7, budgeted cash inflow corresponds to the Transfers recognised-operational and Transfers recognised-capital reflected in Tables SA18, A4 and A5. As previously discussed, the municipality has not accurately budgeted for the Provincial operating transfers. The municipality has under budgeted for the *Accreditation of operational costs* from the Department of Human Settlements by R200 000 and overstated the *Provincialisation of libraries* grant from the

Department of Arts and culture by R537 000. The municipality is advised to rectify the budgeted cash inflow accordingly.

Interest

- The municipality has applied a collection rate of 95 percent for both *Interest earned-external investments* (R32.5 million) and *Interest earned-outstanding debtors* (R5.7 million). It is unclear as to why the municipality does not anticipate to collect the full revenue generated for *Interest earned-external investments*. Furthermore, while it is noted that the municipality does collect a portion of the *Interest earned-outstanding debtors*, the assumed collection rate is not justified in the draft budget narrative document, thus, Provincial Treasury is unable to comment on the budgeted cash inflow.

Suppliers and employees

- Budgeted payments to *Suppliers and employees* of R1.157 billion correspond to operating expenditure as per Table A4 (excluding non-cash items and separately disclosable items).

Transfers and grants

- The municipality has not budgeted for *Transfers and grants* payments in Table A7. Based on the fact that the municipality has an external bursary scheme which has an allocation of R490 000 in the 2016/17 financial year, the municipality is advised to include this budget allocation in Supporting Table SA21 as a Cash Transfer to groups of individuals.

Cash from Investing Activity

Proceeds on disposal of PPE

- The municipality has reflected no *Proceeds on disposal of PPE* in Table A7, despite reflecting a loss on disposal of PPE of R494 000 in Table A4. Due to the lack of supporting information related to the sale of PPE in the draft budget narrative report, Provincial Treasury is unable to determine the reasonableness of the budgeted inflow as well as the corresponding *Loss on Disposal of PPE*.

Decrease (increase) Long term receivables

- It is noted that the municipality has not reflected any cash inflow/outflow related to *Long term receivables* despite reflecting a decrease in this amount from R4.9 million to R944 000 in Table A6. The municipality is requested to provide further explanation as to what the *Long term receivable* relates to in the final budget narrative report.

Capital assets

- Budgeted payments for *Capital assets* of R244.6 million correspond to capital expenditure as per Table A5. Considering the similar treatment of Suppliers and employees, it appears that the municipality does not anticipate any increase or decrease in creditors.

Increase/Decrease in Cash Held and Closing Balance

- The municipality is advised to consider all the concerns raised under the 'operating revenue and expenditure', as well as 'capital budget' sections above and consider their effect on the budgeted cash flows.
- Based on the above comments on the municipality's budgeted cash flow, the net decrease in cash held of R67 million as well as the closing balance of R308.4 million are significantly overstated.

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Table 7 shows the actual Cash backed Reserves and accumulated surplus reconciliation for 2016/17.

Table 7 Analysis: Cash backed reserves/accumulated surplus reconciliation (Table A8)

R thousand	Description	Cash and investments available	
		Budget Year	2016/17
	Cash/cash equivalents at the year end	308 401	
	Other current investments > 90 days		
	Non current assets - investments		
Cash and investments available:		308 401	
Application of cash and investments			
	Unspent conditional transfers	-	
	Unspent borrowing	-	
	Statutory requirements	-	
	Other working capital requirements	54 612	
	Other provisions		
	Long term investments committed	-	
	Reserves to be backed by cash/investments	50 762	
Total Application of cash and investments:			
	Surplus(shortfall)	105 374	
		203 027	

The municipality has budgeted for a surplus of R203 million in Table A8 Cash backed reserves/accumulated surplus reconciliation. This suggests that the municipality anticipates that funds available or will be collected by the end of the 2016/17 financial year will exceed budgeted payments and commitments. Provincial Treasury is unable to comment on the budgeted surplus due to the following:

Unspent conditional transfers

The municipality has not budgeted for unspent conditional transfers to be cash-backed in the 2016/17 financial year in Table A8. According to the 2014/15 audited AFS, an amount of R17.9 million remained unspent in respect of Provincial allocations where the municipality has not received any approval for rollover, thus, these unspent provincial grants should be cash backed. The municipality needs to ensure that any anticipated unspent conditional grants are fully committed by 30 June 2017 and are cash-backed as the municipality runs the risk of forfeiting the unspent grants to the National Revenue Fund (NRF).

Other working capital requirements

- The amount to be cash backed in respect of Other working capital requirements in the 2015/16 financial year amounts to R72.7 million.
- Provincial Treasury is unable to comment on the reasonability of budgeted Other working capital requirements for 2016/17 of R54.6 million due to the following:
 - Net Consumer debtors, used in the calculation of Other working capital requirements appear to be misstated as discussed under Debt impairment,
 - As discussed under Capital assets, it appeared that the municipality did not anticipate any movement in creditors, despite this, it is noted that Trade and Other creditors are budgeted to decrease from R220.7 million in 2015/16 to R179.3 million in 2016/17. It is possible that the municipality has understated the cash outflows.

- Furthermore, considering that the municipality has yet to validate the assumed collection rates used in the population of Table A7, the assumed collection rate of 94.6 percent in Table A8 percent may be significantly impacted.

➤ It is recommended that the municipality revise their assumptions relating to debtors receipts and creditors payments, which are used in the determination of *Other working capital requirements* and amend their budget accordingly.

- For the 2016/17 financial year, the municipality has reflected an amount of R50.8 million as *Reserves to be cash backed*. Despite the municipality providing a funds and reserves policy, Provincial Treasury is unable to comment on the reasonableness of the cash backed amount due to the municipality not providing a breakdown of the R50.8 million in the draft budget narrative report in order for Provincial Treasury to assess compliance thereof. During the engagement on the draft budget, the municipality indicated that the amount of R50.8 million was the uncommitted cash which will be set aside in line with the municipality's strategy to build up cash reserves to fully comply with the municipality's funding and reserves policy.

- Due to the number of concerns raised above relating to Table A7 and Table A8, the municipality's available cash and investments after taking into account the 2016/17 financial year's budget commitments is overstated. Furthermore, after considering the impact of the above items, the municipality's final cash position may be reduced. Provincial Treasury could not establish the municipality's true funding position for the 2016/17 financial year. Therefore, the municipality must reassess the budget, recalculate the cash flow position and ensure that the final approved budget is funded.

5. SERVICE DELIVERY MEASURES

Alignment of IDP strategic objectives to budget

- The 'Total Operating Revenue', 'Total Operating Expenditure' and 'Total capital expenditure' as per Tables A4 and A5 reconcile to Tables SA4, SA5 and SA6.

Service Delivery Implementation Plan (SDBIP)

- The draft SDBIP for 2016/17 financial year was not submitted to Provincial Treasury. This should have been submitted together with the draft budget in terms of Regulation 15(3) of the MBRR.
- The municipality did not properly populate the *Basic service delivery measurement* Table A10. MFMA Circular No. 58 requires municipalities to account for the service levels for all the households within their municipal area, including services that are not provided by the municipality.

Service level standard

- Based on MFMA Circular No. 78, all the municipalities are expected to formulate their own service level standards and table and submit them together with approved 2016/17 budget. The guideline has been issued to all municipalities on how to formulate their own service level standards.



KwaDukuza Municipality

Department: FINANCE

Province of KwaZulu-Natal

Enquiries Imobuzo Navrae	A Nunkumar	Telephone Ucingo Telefoon	032-4375525	Postal Address IsikhwamaSeposi PosAdres	Date Usuku Datum
Reference Inkombe Verwysing	Budget Comments 2016/17	Fax IFeksi Faks			18 May 2016

TO: Provincial Treasury

Chief Director : Municipal Finance

Mf. F Cassimjee

Dear Sir

RE : ASSESSMENT OF THE 2016/17 ANNUAL BUDGET TABLED IN TERMS OF SECTION 16(2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA)

Thank you for your assessment dated 13th May 2016 received on the 16th May 2016.

In addition, we also note the on-going bi-lateral engagements which have occurred between your offices and ourselves. We are confident that with the ongoing support and assistance provided by your good office our budget will continue to ensure not just technical compliance but also sound financial principles.

Our understanding of the attached assessment is that a significant portion addresses the technical completion of the A1 schedules. Further certain components of the narratives as included in the budget pack are recommended to be expanded upon to provide more clarity. As such the response below is not penned seriatim but rather addresses the principles which gave rise to the queries together with the municipalities measures to prevent a re-occurrence.

The matters identified by the Provincial Treasury relating to technical completion have been addressed utilizing the latest information available to ourselves and taking into account the best practice guidelines as indicated by your office. We trust that this shall resolve a significant portion of the queries raised.

We have included additional narratives to further explain the assumptions and budget methodologies utilized in compiling the Medium Term Revenue and Expenditure Framework.

Below are our responses to various other key issues raised by PT :

“Committed to Service Delivery”

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Service Charges – Electricity Charges

The municipality has reviewed the calculations and deems them to be a true and accurate reflection of the estimated review for the upcoming financial year.

We have adjusted the various "A Schedules" in accordance with the requests from Provincial Treasury.

Service Charges – Refuse

In accordance with the comments, the municipality has reviewed the estimated revenue from refuse. The value appears to be reasonable at this stage as various bulk commercial users are anticipated to be billed at a higher usage level in the upcoming financial year. This projection shall be carefully monitored to ensure we do not have any unanticipated shortfalls.

Interest Earned: External Investments

Interest earned is based on funds held by the municipality during the course of the year, whilst the values reflected relate to year end balances only. As such although our balances appear to be reducing year on year, when we consider the in-year movement and anticipated increase in interest rates, we deem the final interest income to be correct.

Transfers Recognized

The municipality has updated the latest budgetary information to ensure that we are consistent with allocations received from National and Provincial government.

Debt Impairment

Given our existing collection rate and the measures implemented by municipality we deem the current impairment to be correct. We will however amend the reporting to distinguish the difference between provisions raised for consumer and sundry debt in the supporting tables.

Bulk Purchases

Bulk purchases have been adjusted in line with the Provincial Treasury comments to reflect an increase of 7.86%. Table A10 has been reviewed to enhance greater comparability.

Cash Flow

We shall review the individual line items relating to the cash movements of the municipality to ensure the budget remains funded.

Once again, thank you for the comments provided during 2016/17 budgeting process. Please feel free to contact our offices, should you require any further clarity or information.

We to look forward to our continuing constructive engagement with your offices to ensure that we maintain budgetary best practices and methodologies.

"Committed to Service Delivery"

"Committed to Service Delivery"

DRAFT

MUNICIPAL MANAGER

N.J. MDAKANE

Yours Sincerely

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2.16 MSCOA

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mSCOA

National Treasury has gazetted mSCOA for implementation at all municipalities as at 1 July 2017. This process will effectively entail amending the current 2 segment chart (i.e. department and item) into a 7 segment multi-dimensional chart.

In order to facilitate adoption NT has approved various pilot sites, which were to go "live" on mSCOA during the second and third quarter of 2015. There has been mixed success with this process to date dependent on the service providers utilised by the respective municipalities. Whilst we have received favourable reviews of Munsoft's ability to be mSCOA complaint we have not received any firm confirmation from National Treasury to date. National Treasury has however recently released MFMA Circular 80 which details the processes to be followed in assessing if the current financial system meets the mSCOA requirements.

Detailed below is further information in relation to the implementation of mSCOA.

mSCOA Awareness and Training :

This process has commenced, with various Finance officials attending mSCOA sessions. A detail presentation of mSCOA has been undertaken at MANCO and Budget Steering Committee. As part of the 2016.17 budget development, awareness sessions have begun to be tiered to other departments.

There are currently no accredited training courses on the market. Certain officials did however attend a 3 training session hosted by Provincial Treasury during early December.

Governance Structures:

Certain IT hardware upgrades have been implemented to ensure the smooth roll out of the software platform for mSCOA.

Budget Availability:

A mix of Finance Management Grant and Internal Funding is to be utilised. This has been provided for in the 2016.17 draft budget.

mSCOA Literature:

There are unfortunately insufficient documents and guides relating to mSCOA at this stage. This is only expected to increase when the accreditation process begins for service providers. In the interim, practically working through the tables and charts remain the best way to learn about mSCOA.

Migration to mSCOA chart:

This process will be one of the final stages to be complete. NT is updating the final chart structure.

We can however start immediately with the review of our existing trial balance to ensure there are no obsolete / slow moving accounts without valid reasons. Our budgeting will also need to be done on a line item basis using a "zero based" principle with no global budgets to ensure a smooth transition to mSCOA. This has begun with the 2016.17 draft and further refinement will continue during the consultation process.

Mapping of Business Processes

The following minimum 15 business processes which are required to be mapped have been released:

1. Corporate governance
2. Municipal budgeting, planning and financial modelling
3. Financial accounting
4. Costing and reporting
5. Project accounting
6. Treasury and cash management
7. Procurement cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable
8. Grant management
9. Full asset life cycle management including maintenance management
10. Real estate and resource management
11. Human resources and payroll management
12. Land use and building control management
13. Valuation roll management
14. Revenue cycle: meter reading, billing, accounts receivable, revenue management & receipting
15. Customer care, credit control and debt collection

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This is important to ensure that all role players are aware of the impact which mSCOA may have on their day to day work and enforce a standardised approach in accounting for transaction. This will need to be rolled out upon the completion of the above mentioned awareness sessions. Sections which have existing Standard Operating Procedures will find it much earlier to complete the above compared to those which do not. More than any other factor, success of implementing mSCOA will hinge on adequate business process documentation.

2.17 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

DATE: 2016. 05. 30

[Signature]

Municipal Manager of KwaDukuza Municipality

MR NJ MDAKANE

I, NJ Mdakane, the Municipal Manager of KwaDukuza Municipality, hereby certify that the final annual budget and supporting have been prepared in accordance with the Municipal Finance Management Act No. 56 of 2003 and the regulations made under the Act, and that the final annual budget and supporting documentation are consistent with the draft integrated Development Plan of the municipality. The priorities and values reflected herein are however subject to change with the public participation process.

2016/2017 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FINAL QUALITY CERTIFICATE



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